Report of the Manitoba Task Force on Social Assistance

September 1983

Manitoba Task Force on Social Assistance
1010 - 330 St. Mary Ave., Winnipeg, R3C 3Z5
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August 11, 1983

The Honourable Len Evans
Minister of Community
Services and Corrections
Room 302 Legislative Building
Winnipeg, Manitoba

Sir:

Enclosed please find the Report of the Task Force on Social Assistance.

We hope that you will find our analysis and recommendations to be worthy of careful consideration. As you will see, we have not confined our thinking to a narrow interpretation of the Terms of Reference; we therefore commend to your attention those sections of the Report which address the issues more broadly.

You will also note that one of our members has submitted a minority statement because she cannot endorse the Report in its entirety. We have decided as a group to submit both aspects of the Report simultaneously and the minority statement is attached hereto.

We have found the assignment a most interesting one which we have regarded as extremely important. We thank you for the confidence you have placed in us.

Sincerely,

Joseph C. Ryant

JOSEPH C. RYANT, Ph.D.,
Chairperson

CAMPBELL CONNOR
Member

ROB HILLIARD
Member

Ken Murdoch

KEN MURDOCH
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SHEILA ROGERS
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D Thomas

DORINE THOMAS
Member

OVERVIEW OF THE REPORT

Chapter I describes the formation of the Task Force, its composition and its Terms of Reference. It provides a brief history of social assistance in Canada. It places social assistance in the wider context of income transfer programs and concludes that social assistance is limited in its intent to serve only as a last resort form of assistance for those who have no other resources. It describes the Canada Assistance Plan, the major vehicle for the sharing of costs between the federal and provincial governments. The Chapter concludes with a brief description of the effects of the present economic situation on the review, and with a statement that the Task Force has decided to issue a report which is cognizant, but not captive, of the current situation.

Chapter II describes the procedures used by the Task Force in the conduct of its review. It sets out the intention of the Task Force to be as accessible as possible to all those who have an interest in social assistance. The various strategies employed are described. These include posters, radio and newspaper advertisements, the elicitation of briefs and submissions, public and private hearings, community meetings, and interviews with staff of provincial and municipal programs. The variety of analytical procedures performed by the Task Force staff are also described, as are the consultation contracts entered into between the Task Force and selected experts in technical areas.

Chapter III provides a critique of traditional social assistance, placing its historical antecedents in the end of the feudal era. It identifies traditional social assistance as stressing the values of individualism and independence, values to which there are strong attachments even today. The Chapter explains that last resort assistance is in the mainstream of the traditional approach. From this last resort nature derives the mechanisms familiar in traditional systems: means tested eligibility, separation of employables from unemployables, categories of recipients, subsistence-related benefit levels, the use of discretion by those offering assistance, enforced dependency and stigmatization. These are assessed throughout the Chapter. The major conclusion is that these mechanisms do not make the goals of independence and self-sufficiency readily achievable.

Chapter IV provides a parallel critique of social assistance in Manitoba, concluding that, as a traditional system, Manitoba has the same characteristics as other traditional systems. The same topics as in Chapter III are covered with the descriptive information drawn from the extensive information base obtained by the Task Force in the course of the review. Specific elements are found in each area of enquiry which are assailable either because they are inequitable and arbitrary or because they block rather than assist the achievement of self-sufficiency. This Chapter assesses the state of the information system in Manitoba social assistance and looks at the appeal procedures as well.

Chapter V addresses the Terms of Reference, providing either a brief recommendation on one of the specific items in the Terms of Reference or a preview of the more extensive treatment to be found in Chapter VII. It states that the Task Force has decided to interpret its mandate broadly because of the content of the critique in Chapter IV and the narrow specificity of the Terms of Reference. It states that the Task Force will recommend a one tier provincial system. In the interim, it recommends that municipal assistance not be treated as a debt. It recommends dispensing with categorical eligibility but outlines some transitional issues from the Terms of Reference. These include making parent allowances gender free, eliminating the categories of disabled while maintaining eligibility solely on the basis of need, simplifying social assistance to students by greater clarity between social allowance and student aid, clarifying the interfaces between child welfare and social assistance, reducing the complexity between federal and provincial jurisdictions dealing with Treaty Indians, and removing some of the barriers of access to social assistance for sponsored immigrants. In its consideration of income, resources, and assets, the Task Force recommends moving provincial levels up to those permitted by the Canada Assistance Plan guidelines. It calls attention to the sometimes harsh and arbitrary implementation of provisions which permit income to be deemed to be available even when it is not. It suggests that social assistance recipients be permitted to receive the benefits of other income transfer programs directed to the poor. It recommends improvements in the treatment of trust funds, spousal and child maintenance, and the recovery of overpayments. The Chapter concludes with a preview of the recommendation for an automated data base for the operation and management of the system to be detailed in Chapter VII.

Chapter VI enumerates and explains the principles selected by the Task Force as the foundation for its more general recommendations. The principles are normalization, adequacy, simplification, equity, promotion of independence, comprehensiveness and program linkage. Each is explained and illustrated. Each is described as a state not yet attained by the Manitoba social assistance system but toward which it should strive. We suggest adoption of the principles as a package in the belief that they complement each other and that they provide coherence.

Chapter VII presents the Task Force recommendations about a new approach to social assistance. It states that social assistance should be delivered as an automated simplified benefit, largely non-discretionary, and noncategorical. It stresses adequacy of amount. It eschews overmanagement of recipient expenditure behaviour, stressing instead devices to encourage the greatest possible responsibility on the part of recipients. It describes benefit reduction schedules which would have far greater incentive effects. It recommends a voluntary approach to a single tier system which is based on bringing all municipal rates to the provincial level. It stresses the urgent necessity for linkage between social assistance and a broad network of high quality educative, developmental and rehabilitative services. It calls for the urgent establishment of a computer-based automated information system. It makes several suggestions for improvements in the appeal system. The Chapter concludes with a judgement that the recommendations are eligible for cost-sharing.

Chapter VIII, the concluding chapter, assesses the fiscal implications of the recommendations. It states that precise estimates are impossible because of the number of variables at work and the different approaches that can be taken to implementation. It identifies areas of new cost, areas of offsetting savings, and areas of improved efficiency and cost-effectiveness. The Chapter concludes with the judgement that the recommendations identify savings over the long term and will vastly improve cost- effectiveness.

The Report ends with a Minority Statement from one of its members and a Response from the others.

ACKNOWLEDGEMENT

The members of the Task Force received the assistance of a small group of dedicated and skillful staff members, engaged for various periods of time over the duration of the review. These included Dolores Mezzarobba, Kristine Bauernhuber and Maureen Tabak, who handled the clerical responsibilities; Garry Hansen and Natalie Shibou who served as summer student employees of the Task Force; Sigrid Thiessen, a student placed by the School of Social Work for practicum purposes; Donna Bernstein, briefly engaged as a program analyst; and Harriet Carnegie who began as a Social Work practicum student but stayed on to the very end of the process as a program analyst and the monitor of the production process. Doreen Picken, the Executive Secretary of the Task Force, was largely responsible for the smooth administrative sailing experienced by the Task Force group. Special mention should be made of Sid Frankel, Senior Program Analyst, who made an invaluable contribition of energy, rigorous analysis and plain good sense. To all these, the members of the Task Force are unanimous in expressing grateful appreciation.

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CHAPTER I

INTRODUCTION

The Throne Speech of the Thirty-Second Legislature promised an examination of the structure, design and policies of Manitoba's provincial and municipal social assistance programs. In April, 1982, the Honourable Len Evans, Minister responsible for Community Services and Corrections, announced the establishment of the Task Force on Social Assistance to be chaired by Dr. Joseph C. Ryant, professor of Social Work, University of Manitoba.

Original members of the Task Force, appointed by the Minister, were:

Sheila Rogers, a Legal Aid Manitoba lawyer;
Florence Flynn, Director of the Outreach Program of the Churchill Health Centre;
Campbell Connor, administrator, Brandon University;
Janet Spence Fontaine, Cree author and member of the former Welfare Advisory Committee; and
Ken Murdoch, a senior planning associate with the Social Planning Council of Winnipeg.

During the course of the review Florence Flynn and Janet Spence Fontaine resigned due to other commitments. They were replaced by:

Rob Hilliard, municipal counsellor and union leader from Leaf Rapids; and
Dorine Thomas, native author from Selkirk.

The Task Force employed a small staff to assist with the work. These included a senior program analyst, an administrator, two clerical workers and four junior analysts, each employed for a short period. In addition, two students were placed by the School of Social Work for practicum experience. The work of the staff was directed by the Chairperson on behalf of his colleagues.

The Task Force has been aided in the conduct of its review by the assistance and cooperation of both the Department of Community Services and Corrections and the City of Winnipeg, Department of Social Services. The provincial department made appropriate arrangements to provide the resources required by the Task Force and did so in a manner which permitted the Task Force to be free-standing and independent of government. Both the provincial and city departments were highly cooperative, offering access to personnel, documents and records as required.

TERMS OF REFERENCE

These were as follows:

"The Task Force will examine social assistance programs in Manitoba, and will make recommendations to the Minister of Community Services and Corrections within the following terms of reference:

1. The review will recognize that provincial social assistance programs are intended to meet the costs of basic needs after all other avenues of financial assistance have been exhausted; and that program expenditures are cost-shared with the Federal Government, and must operate within Manitoba's own fiscal capacity.

2. The review will examine the present two tiered social assistance structure in Manitoba, in which municipalities provide assistance to persons who are ineligible for provincial assistance. In this context, the Task Force will examine:

   - municipal inconsistencies related to the availability, levels and terms of social assistance; and
   - the discretionary authority to consider the granting of municipal assistance as a debt owing to the municipality.

3. The Task Force will study issues related to the categorical eligibility criteria for social assistance programs, including:

   - assistance available to sole-support mothers not currently available on the same basis to sole-support fathers;

- the variety of handicaps defined by the terms "physically" and "mentally" disabled and the effects of the trend towards community-based care for the handicapped on social assistance programs;
- the interface among the Social Allowance Program and other programs designed to assist students requiring financial assistance;
- the respective responsibilities of the Child Welfare and Social Allowance Divisions for providing assistance to certain persons; and
- the administration and granting of assistance to Treaty Indians and sponsored immigrants.

4. The Task Force will examine the financial eligibility criteria for the Social Allowance Program, focusing on the determination and definition of "income", "resources" and "assets", as they relate to:

   - the interface among the Social Allowance Program, other income transfer programs, trust funds and the Department of the Attorney-General's Maintenance Enforcement System;
   - the nature and level of income and asset exemptions in calculating eligibility for assistance; and
   - the recovery of assistance granted under certain circumstances or for certain needs.

5. The Task Force will review the information system for administering and delivering the Social Allowance Program to determine the feasibility of developing an automated data base to monitor benefits and costs."

At the outset of the review process, the Task Force decided to set forth the philosophical stance by which its review would be guided. This resulted in a decision to interpret the Terms of Reference broadly. Members agreed that their commitments are to the social allowance systems which are non-stigmatizing and which ensure for the recipients the rights of due process, fairness and natural justice. Similarly, the Task Force favours systems which are free from bias with regards to race, culture, gender and age and which provide equity of treatment regardless of area of residence, or program auspices. Further, the Task Force prefers systems capable of taking direct action to correct injustices created by their own decisions.

Finally, in its establishment of its philosophical stance, the Task Force was concerned with addressing the aspects in the social assistance system which are associated with long term dependency. The Task Force vowed to search for the incorporation of preventive objectives into the social assistance programs, of means to promote independence and self-sufficiency and of intentions to integrate recipients into the community.

THE HISTORICAL CONTEXT

Prior to Confederation the responsibility for the poor rested with local parishes, or municipalities. Certain classes of persons - the widowed and orphaned, the aged and those afflicted by physical or mental handicaps - were seen to be more deserving of assistance than others .

At the time of Confederation the very limited responsibility for such persons did not constitute a significant financial problem and was therefore relegated to the provinces. Municipalities continued to provide actual assistance to the destitute.

Over time, the cost of care of such persons became a burden on the municipal coffers and the provinces gradually began to share some of that cost. The federal government also became involved in social welfare with the establishment of pensions for certain classes of citizens, first the veterans of World War I, then the elderly and the blind. Indeed, the Old Age Pensions Act of 1927 started a major trend in the Canadian social welfare system, combining the spending power of the federal government with the legislative authority of the provinces to develop welfare programs. The passage of this Act confirmed yet another trend, the development of categorical programs for well-defined groups who were considered "deserving" of assistance.

The Depression shaped the next stage of the development of the welfare system. Unemployment was so severe that providing relief forced many municipalities into bankruptcy. Greater provincial and federal involvement became essential. World War II witnessed the beginning of a more interventionist policy on the part of governments in an attempt to avoid a repetition of the dismal economic conditions of the thirties.

By the mid 1950's, several target groups were assisted through federal legislation: family allowances had been instituted (1945); the Old Age Security and Old Age Assistance Acts were passed (1951); the Disabled Person's Act was passed in 1954; the Unemployment Assistance Act was passed in 1956. The latter was significant for several reasons: it shared with the provinces the cost of extended assistance to employables, it provided the impetus for provincial assumption of control over welfare from the municipalities and it allowed provinces to develop more comprehensive social assistance plans with extended federal funding.

Canada entered the 1960's with three federal income security programs (family allowances, unemployment insurance and old age security), two provincial programs (mother's allowance and workmen's compensation) and four federal/provincial programs (unemployment assistance, old age assistance, blind persons' allowances, and disabled persons' allowances). In 1960-61, a cost-shared program for the vocational rehabilitation of physically and mentally disabled persons (V.R.D.P.) was established under federal legislation with the agreement of the provinces. Soon after the beginning of the decade, negotiations began between Ottawa and the provinces for a program to finance social assistance which would combine the four categorical programs - mother's allowance, old age assistance, blind persons' allowances and disabled persons' allowances - and determine eligibility on the basis of need. As a result, The Canada Assistance Plan (C.A.P.) was enacted in 1966.

The program was primarily a consolidation of already existing programs with some innovative elements. Reform efforts surfaced in the 1970's but collapsed due to the state of the Canadian economy and of federal-provincial relations at the time. C.A.P. has survived relatively unchanged since its inception and, with V.R.D.P., is the major source of cost-sharing for social assistance and welfare services.

Over this same period, Manitoba's two tiered system of delivering social assistance was emerging, partly as a reflection of the federal initiatives just outlined and partly due to local preferences. Manitoba never officially enacted its own version of the Elizabethan Poor Laws (as certain Maritime Provinces had done). However, the model of provision adopted was the same; welfare was a municipal, local and/or private responsibility. The City of Winnipeg passed its first relief appropriation in 1874. Other municipalities provided assistance at their own discretion. However, an awareness of the need for provincial direction emerged and culminated in the establishment of a public welfare commission (1917) and subsequently a Department of Public Welfare in 1922.

Various pieces of legislation were passed which gradually led to the system as we now know it. The Social Assistance Act of 1949 gave municipalities the ability to apply for cost-sharing with the province. In 1956, a further amendment to The Social Assistance Act provided for reimbursement from the federal government to the province for money spent on municipal assistance. In 1959, previous Acts were repealed and became The Social Allowance Act which combined all assistance measures under one legislative authority, outlining the categories of recipients eligible for provincial assistance. This Act, as amended over time, is still in place. In 1972, the provincial government amended The Municipal Act, requiring all municipalities to pass by-laws regarding the granting and regulation of assistance. Simultaneously and in response to changes in social conditions and values, eligibility criteria were broadened to include some persons formerly excluded. The general tendency over time has been to remove, not erect, barriers to receipt of assistance.

THE LIMITS OF SOCIAL ASSISTANCE

Income security takes a variety of forms in industrial societies. Canada, in keeping with other nations, has developed a complex network of income security programs which can be defined as "collective mechanisms through which Canadians supplement the incomes that they earn and protect themselves from periods of financial hardship." (Banting, 1982, p. 7). Income security provisions are best viewed as having only limited ability to affect economic development, unable by themselves to achieve full employment.

There are four techniques for income transfers currently in place in Canada at this time. The usual techniques for transferring income to individuals are:

(1) demogrants: universal flat rate payments made solely on the basis of demographic characteristics such as age, rather than on the basis of proven need (as in social assistance) or on the basis of previous contributions (as in social insurance);

(2) social insurance programs which are based on previous contributions and which respond to named risks;

(3) income supplementation programs which provide additional support to various categories of low income Canadians without recourse to full needs and assets testing; and

(4) social assistance itself - an outgrowth of the Elizabethan Poor Laws and 19th century local relief - which today is "the residual element in the income security system, the last resort for needy Canadians who do not qualify for the other income security programs or whose income from those other programs is still inadequate." (Banting, 1982, p. 11).

Eligibility for social assistance is based on an individual assessment of the applicant's current income and needs and there are strict limits on the level of benefits the applicant may receive. In the country as a whole, the largest categories of recipients are the disabled and single mothers with dependent children.

Traditionally, social assistance has been the type of income security most stigmatizing for the recipient, due in part to its historical antecedents, in part as a reflection of societal attitudes toward those not self-sufficient and in part to its administration.

THE CANADA ASSISTANCE PLAN

One of the Terms of Reference was that any recommendations made must be cost-sharable with the federal government under the Canada Assistance Plan.

The Canada Assistance Plan was enacted by the government of Canada in 1966 and individual agreements were signed by the provinces the following year. Under C.A.P., the federal government pays 50% of the allowable cost of the provinces of:

(a) assistance to persons in need;
(b) welfare services provided to persons who are in need or likely to become in need if they do not receive such services, and
(c) work activity projects which are designed to improve the employability of persons who have unusual difficulty in finding or retaining jobs or in undertaking job training.

"Welfare services" are defined in C.A.P. as services which have as their object the "lessening, removal or prevention of the causes and effects of poverty, child neglect or dependence on public assistance."

Two of the purposes of C.A.P. are to promote a certain degree of uniformity and to encourage minimum standards across Canada. The provinces are therefore required by the federal legislation to meet certain conditions in order to be eligible for cost-sharing. These include the administration of a needs test to all applicants for social assistance and welfare services, the incorporation of an appeal procedure and the removal of residency requirements for eligibility.

While the Canada Assistance Plan ensures that the parameters of all the provincial programs are similar, there are variations in detail from province to province. There are however, only two basic delivery patterns for social assistance:

- exclusive provincial responsibility for social assistance, found in seven provinces;
- a variety of two tier provincial/municipal patterns in which a province and its municipalities share the task of providing assistance. Only three provinces, among them Manitoba, operate in this fashion. In Manitoba, the provincial tier supports long term and unemployable recipients and the municipal tier provides short term or emergency assistance usually to employable recipients.

Since its inception, the Canada Assistance Plan has had an evolutionary character because it has been successively interpreted in response to the differing needs and requests of the participating provinces. Because the provinces have varied in the formulation of their respective programs, administrative practices and the means employed to implement their own legislation, C.A.P. has also varied in its treatment of each of the provinces. C.A.P. is best understood as a broadly facilitative piece of legislation in which the specific application to the requests of a particular province is a function both of the form and manner of provincial programming and of the working relationship between federal and provincial officials.

The Task Force on Social Assistance conducted its review of Manitoba's current social assistance programs bearing in mind the place of such programs within the broader income security framework. It acknowledges that social assistance programs are programs of last resort which must be administered in accordance with C.A.P. legislation. Nonetheless, the Task Force believes that it is possible to design and administer even a program of last resort in a manner which achieves societal objectives humanely and effectively. Having said this, the Task Force believes that the other methods of income transfer mentioned above are potential sources of more significant change in the distribution of income among Canadians and Manitobans.

THE PRESENT ECONOMIC CONTEXT

Since the early 1970's the Canadian economy has been faced with inflation. To this, the 1980's have added recession as a major concern. The costs of health, post-secondary education, social assistance and social services programming have grown at rates higher than the rate of inflation. Both the federal and provincial governments are loathe to contemplate new areas of public expenditure. The Task Force has been asked to conduct its review bearing in mind the current state of the economy and Manitoba's limited fiscal capacity at this time. Naturally such constraints do not make the task at hand a simple one.

Further, as the unemployment rate rises, it is inevitable that greater numbers of persons are finding themselves out of work and in need of social assistance because they have exhausted their unemployment insurance benefits. This phenomenon increases welfare expenditures. It also makes prediction of costs more difficult because there is more movement of employable persons on and off the social assistance rolls with the vagaries of the economy.

The Task Force takes the position that its report must be more than a response to the current economic climate. While we can hardly ignore this climate and were naturally influenced by it, we have refrained from writing a "hard-times" report only. Instead, we have attempted to conduct a thorough review and to make recommendations which will be more enduring in nature.

OUTLINE OF THE REPORT

The Report is organized in the following way. The next chapter will describe the procedures of the Task Force and the process of the review. This will be followed by Chapter III, an identification and critique of the major elements of traditional programs of social assistance. Chapter IV will apply this framework to Manitoba, introducing material which indicates how, and to what extent, what is generally the case is also true of the social assistance system of this province. Chapter V addresses the Terms of Reference directly. The next chapter lays out the principles selected by the Task Force to improve the system. On the basis of the framework which emerges from Chapters III, IV and VI, Chapter VII contains Task Force thinking on how best to revise social assistance in Manitoba. This, in turn, is followed by our conclusions. There is also a Minority Statement and a Statement of Response.

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CHAPTER II

TASK FORCE PROCEDURES

The Task Force decided that it would conduct a review as open to public participation and response as was reasonably possible. It was especially interested in having the view of all those individuals, groups, organizations, public bodies, program providers and constituencies with an interest in social assistance. In particular, the Task Force wished to hear from recipients of social assistance and their families, both individually and as members of groups or organizations where these existed. It was recognized that there are many reasons for social assistance recipients to be diffident and hesitant about calling attention to themselves. In the light of this assessment, the Task Force used a variety of means to make itself accessible.

STRATEGIES

The Public

The establishment of the Task Force first became public knowledge in late April, 1982, in the form of a press release from the Honourable Len Evans, Minister of Community Services and Corrections. In June, a second press release was issued giving an office address and announcing that a series of public hearings would be held in September and October. Emphasis was placed upon the Task Force's wish to receive submissions from all interested parties without concern as to the format.

Recipients of Social Assistance

A number of posters were prepared and were distributed to every office of the provincial Income Security Division. They were made available as well to all outlets for the provision of social services. The City of Winnipeg Department of Social Services cooperated in displaying the posters and copies were sent to the council offices of every municipality in Manitoba.

An envelope stuffer addressed to recipients was prepared for inclusion in the cheques mailed on the automated system by provincial social assistance. Additional copies were sent to provincial offices for manual distribution. City of Winnipeg Social Services provided this notice to its caseload by having their cashiers distribute them along with the cheques. A second stuffer was issued at a later date.

These notices invited recipients to write or telephone the Task Force with suggestions and opinions. Assurance was given that replies could be made anonymously and that all responses would be received in confidence. Recipients were also advised that the Task Force was independent of the Department of Community Services and Corrections.

Providers of Assistance

In order to gather information, views and opinions from those who actually deliver social assistance, the Task Force conducted interviews with individuals at both provincial and municipal levels of service.

Sixty-two persons involved in the delivery of the provincial Social Allowance Program were interviewed. This constitutes approximately 40% of the staff involved in delivering the program across the province. All administrative levels were covered.

Ten individuals employed by the City of Winnipeg's Social Services Department were interviewed. All sections and all levels of the organization were represented . In addition, representatives from seven other Manitoba municipalities were interviewed by staff.

In addition to the conduct of interviews by Task Force staff, the provincial and municipal providers of social assistance were notified that they were free to approach the Task Force with individual submissions that would be held in confidence.

Relevant Organizations

The Task Force assembled a mailing list of 2,000 organizations, groups, agencies, municipalities, native bands and other relevant bodies. An announcement letter including the Terms of Reference and posters were sent to each, inviting them to make submissions and announcing that public hearings would be held. A second letter followed six weeks later reiterating the information in the first and adding additional details about the timing and location of the hearings and community meetings.

PUBLIC AND PRIVATE HEARINGS

The work plan of the Task Force was seriously oriented to holding a round of public hearings throughout the entire province. The purpose was to highlight the importance of the issues being addressed by the Task Force and to make it easy for interested parties to have access to the review of social assistance. The hearings were publicized through newspaper and radio advertising and posters. In addition, letters were sent to all organizations and individuals known to the Task Force as having a potential interest in attending a hearing.

Great care was taken to select the sites for the hearings. Population centres, transportation routes and caseload distribution were all taken into account in establishing the particular locales. In each locale, a meeting place was sought which would be highly acceptable to the residents and which would be easily accessible to handicapped or disabled persons. In some communities in northern and eastern Manitoba which were not accustomed to the format of a public hearing, less formal community meetings were offered. Persons wishing to come forward with a submission, either in a hearing or a meeting, were offered the choice of appearing in public or private session. All were assured that material submitted would be either returned to them or destroyed at the conclusion of the review process.

In all, hearings and/or community meetings were scheduled for twenty different locations south of the fifty-third parallel, and fifteen others in northern Manitoba. No fewer than two, and sometimes all the members were in attendance at each.

THE RESPONSE

In response to the cheque stuffers, posters and media advertising, 195 persons contacted the Task Force by telephone and 184 individuals made submissions either by mail or in person. Procedures were established to log all verbal presentations in a standard format and to record some demographic information about the caller.

In response to the publication of the hearings through radio, newspaper and letter, 176 submissions were received from groups by mail and at the public and private hearings. Verbal presentations were recorded and transcribed at a later date.

TASK FORCE MEETINGS

The Task Force met on a monthly basis throughout the review process. At these meetings it developed its work plan, directed the work by staff as to types of analyses required in order to do the work and, in return, received information and feedback.

The Task Force made all policy decisions about how the review would be conducted. Members approved the schedule of public hearings, their own role in these hearings and reviewed the resulting information as a group. They requested and received a series of working papers and made a determination as to their use.

The Task Force met with senior officials from the City of Winnipeg's Social Services Department, with provincial officials and officials from the federal government. The ensuing discussions were for purposes of orientation and information.

The Task Force developed a set of guiding principles, experimented with different models of social assistance delivery and formulated recommendations. In the final stages of their review, the members were actively involved in drafting the final text of the report.

ANALYSES BY STAFF

Interviews with Providers

As previously mentioned, 79 interviews were conducted with persons involved in the delivery of provincial and municipal assistance. These interviews were open-ended and aimed at investigation and discovery. They yielded information related to four general areas: the work experience of respondents, various characteristics of recipients as perceived by respondents, levels of decision-making and respondents' views of the strengths, weaknesses and desirable changes in the program.

The results of the interviews were compiled, analyzed, reported to the Task Force and served as a reference source for formulating recommendations.

Analysis of Group Submissions

One Hundred & Seventy-Six submissions were received from groups. The submissions were subsequently analyzed by staff in three ways. Initially they were carefully read and major points were identified and summarized. Secondly, the submitters were divided into natural groupings: agencies working with immigrants, children's social services, disabled consumer groups, lawyers, municipalities, native groups, rights and advocacy groups, to name a few. The briefs were then analyzed to extract common themes and issues. Thirdly, the submissions from each constituency were then analyzed in depth according to the guiding principles as outlined in Chapter VI. This analysis was used as a reference document by the Task Force.

Individual Submissions

The logs to record telephone submissions were collected and analyzed by staff in two ways: by program (municipal or provincial) and by category of comment.

All written individual responses were similarly analyzed by staff. The results of these analyses were forwarded to the Task Force.

Working Papers

Staff prepared or supervised the preparation of a series of working papers on the following topics: Disabilities and Social Allowances, The Municipal Assistance Program in Manitoba, A Reference Directory to Certain Aspects of Provincial and Territorial Social Assistance Legislation, Welfare Legislation Throughout Canada, The Interface Between the Child Welfare System and Social Allowance, Appeals and Immigration. These were made available to the members of the Task Force.

Bibliographic Review

Staff conducted a thorough literature review in a number of different areas: marginal labour force attachment, job creation, stimulating remote economies, administrative simplification, normalization, decision making, local control and long term dependency. A thorough review was made of the literature about social security provisions in the Western world. Thus, the Task Force was provided with the benefits of both theoretical and empirical work of relevance to its mandate.

CONTRACTED ANALYSES

It was anticipated from the outset that there would be areas of enquiry which would require expertise not available on the Task Force or in its staff. For these, it was decided to contract out certain technical studies to consultants.

Accordingly, a contract was entered into with Dr. Derek Hum and Dr. Wayne Simpson, of the Institute of Social and Economic Research to:

(a) research and report on A Simulation of Variation in the Work Incentives Plan on Manitoba Social Assistance; and

(b) research and report on Administrative Issues in Social Assistance Delivery with Special Reference to Program Integration Issues in Work Incentive Programs.

The Task Force required specialized assistance to review the current information system and to make recommendations respecting an automated data base. A contract was entered into with Dr. Barry Trute, Dr. Bruce M. Tefft, and Dr. David H. Scuse, professors at the University of Manitoba to provide a report that:

(a) provided general specifications for a proposed management information system;

(b) assessed the current system in relation to the proposed system;

(c) assessed the advantages of computerizing various components of the proposed system;

(d) outlined a description of the process required to move from the present to the proposed system; and

(e) identified options for the implementation of the proposed system.

The Task Force required an estimation of the costs entailed should the province move to a one tier system of providing social assistance. They anticipated cost increases due to three factors:

(a) the standardization of rates to the provincial assistance level;
(b) increased take-up; and
(c) increased administrative costs.

With the cooperation of her supervisor, the estimation of potential cost increases was contracted internally to Gudrun Fritz, Research Analyst, Department of Finance (Federal/Provincial Relations Branch).

The results of these analyses were conveyed to the Task Force, studied and assessed and were taken into account when the recommendations were formulated.

CONCLUSION

The Report which follows represents our best efforts to fulfill our commitments. We trust that our analysis and recommendations will be of interest to the citizens of Manitoba.

CHAPTER III

THE MAJOR ELEMENTS OF TRADITIONAL SOCIAL ASSISTANCE: A CRITIQUE

The Task Force believes that it is important to set social assistance in its proper context. The purpose of this Chapter is to identify the major elements of social assistance programming and to assess their impact. In doing this, we seek to relate the conceptualization of social assistance to the values from which it springs as well as to root it in its proper social, economic and political contexts.

The fact that contemporary systems of social assistance have their doctrinal roots in the seventeenth century is too often unknown and unremarked. The philosophical basis for social assistance remains intact even to this day because society adheres to the same values - independence and individualism - that were there from the beginning. The principles designed to carry Western society into and through the first Industrial Revolution are still used to deal with the social and economic effects of the present one. Let us consider the history of these principles briefly.

.The dissolution of the feudal system was necessary in order to mobilize the free-standing and unattached labour force required for first the mercantilist period and then the Industrial Revolution. Essentially, the breakdown of the old order to loosen the bonds of particular attachments to lord, locale and local group which impeded the mobility of labour was required to embark upon a new economic era (De Schweinitz, 1943). The implicitly contractual arrangements - fealty and labour for subsistence and protection - of the feudal period gave way to the new arrangements of a contracted labour force (De Schweinitz, 1943; Polanyi, 1944). The replacement of one socio-economic system by another is never smooth or continuous. It is assisted by the development of new laws and new values made more binding by giving them the weight of state law and religion. So it was that we had the Elizabethan Poor Laws to provide the structural framework upon which present social assistance is built. The underlying values are individualism and independence. These values were reinforced by the Protestant Reformation which made the individual directly accountable to his or her God, and which promised worldly signs of reward for hard work and thrift

(Tawney, 1926; Weber, 1958). With this brief excursion into history as a backdrop, let us now examine the separate elements of social assistance one by one.

LAST RESORT

Social assistance is meant to be the final safety net to be used when it is absolutely clear that a person or family can no longer care for themselves. It is constructed in a fashion to indicate that, while society prefers its members to be self-sufficient and self supporting, it is humane enough to take care of those few who cannot provide for themselves. Because of the insistence upon independence, no one is eligible for assistance as long as the capacity exists for self-sufficiency. Assistance is a provision of last resort. This feature gives rise to a series of other elements which have as their purpose the verification of alleged dependency. Many of the elements which follow are based upon the requirement that social assistance is intervention of last resort.

In the design of social assistance programs based upon this last resort mentality, several factors related to the expected availability of resources are of key importance. These include: the sources of potential income to which recipients are required to seek access, the action which they are expected to undertake in doing so, the manner in which the program providers evaluate these and the nature of sanctions applied as a result of noncompliance with them. At their most extreme, some last resort social assistance programs have been based upon the notion that the receipt of assistance should be rendered as unpleasant as possible in order to ensure that an application for assistance is truly a last resort alternative (e.g. Mencher, 1962). The underlying attribution seems to be that recipients and applicants prefer dependence to self-sufficiency and that they must be deterred from exercising this preference through program elements which force them to utilize alternate available sources of income.

MEANS TESTED EVALUATION OF RESOURCES

If eligibility means having no resources with which a person can remain independent, the application procedure must contain ways of identifying all sources of income, all assets and all other possible means of self-support. Society, if it wishes, can set rules for social assistance that would require all assets be reduced to zero as a condition of eligibility. In the earliest days, it did just that. While contemporary systems refrain from quite so extreme positions, they do make eligibility for assistance dependent upon a considerable depletion of liquid assets. As well, other conditions are established about how different classes of fixed assets are to be treated. Contemporary means testing may exempt some types of income, for example, family allowances, in the calculation of income. Equally, it may deem income of other types, for example, past earnings, to be available for use even when it is not. Generally speaking, all personal resources except for those few specifically exempted are considered in income and assets eligibility tests.

Several evaluative comments may be offered about this feature of social assistance. Means testing tends to satisfy community concerns that people are not being assisted who otherwise could be self-supporting. This political advantage is offset to an unknown degree by the increased risk that those who have exhausted their personal means almost entirely before receiving assistance may have achieved, by that requirement, a more deeply rooted and perhaps longer lasting dependency. It is not uncommon for people to be required to liquidate the very assets by which they could again become self-supporting. Another consequence of too vigourous and insensitive means testing is the humiliation which often accompanies the procedure. Disparities are found between jurisdictions, for example, municipalities, in their treatment of assets, particularly in what is permitted to be kept and to what degree. In the deeming provision, characteristic of social assistance means testing, applicants or recipients may be judged to have the use of income or assets which they in fact do not have. In these cases, the requirements of existing law may disqualify an applicant who in reality has no resources with which to meet his or her other needs. What little we have said about the traditional approach to means testing should be enough to reveal its essentially arbitrary nature.

SEPARATION OF EMPLOYABLES FROM UNEMPLOYABLES

When feudal ties were dissolved and an independent labour force, not tied to the land, became created it was judged to be very important that no person receive assistance who was able-bodied and capable of work. Communities, which were the source of support, created rules for the differential treatment of people based on a number of different characteristics. One of the most important of these was whether or not those needing assistance had reason to be relieved of the obligation to work. Those not too young, old, ill, or too mentally impaired were assessed as capable of work and were required to earn their keep either in "outdoor relief" or workhouses. Only those who were judged to be unemployable received assistance without a work requirement. These were the "deserving poor" (De Schweinitz, 1943).

For employables, the principle of "less eligibility" was used as the way to ensure that no one receiving assistance from the community would receive as much as even the lowest paid working person. Even to this day, benefit levels for those assessed as employable contain some variant of this feature in the belief that unless benefit levels are kept low, people will choose not to work.

It is quite common to witness yet other differences in the treatment afforded to employables and unemployables. The major of these is in the creation of two tier systems in which the able bodied are made the responsibility of the local community while unemployables are dealt with by a higher level of government. This difference gives rise to yet other possible variations in conditions of assistance, availability of ancillary services and how recipients are regarded by the general public (Bella, 1983).

Two important distinctions need to be made at this point. The first is that the designation, employable, is generally a characteristic of person, rather than of economic or social condition. It matters little if there is widespread unemployment or other forms of socio-economic dislocation; if the individual is able-bodied and not involved in the direct care of minor dependents, he or she is employable. The second distinction is that, other than on grounds of age (too young or too old) or caring for dependent children, the judgement of unemployability is based on physical or mental incapacity and, therefore, is primarily a medical judgement. This gives rise to a host of related problems as, for example, quibbles about degree of employability based on degrees of infirmity, importation into social assistance systems of whatever dependency-promoting features there are in medical care systems, lack of recognition of the large number of social and cultural impediments to employability, etc., etc.

We see, then, that the distinction between employables and unemployables is based on the requirement that those able to support themselves should do so. Sets of rules and procedures are then put in place to ensure that those who are judged to be able to work shall be dealt with differently than those who are not.

CATEGORIES OF RECIPIENTS

As indicated above, it is not sufficient merely to be in need. One also has to be a member of a category whose need is regarded as a legitimate call upon the assistance of the community or state. Categories of eligibility are created and these are used for a variety of purposes. The first is, as mentioned, the allocation of applicants to the relevant jurisdiction when responsibilities have been divided between different levels of government. Related to this is the historical legacy that the various levels of government have tended to introduce assistance on a piecemeal basis, for example, to the blind, when one or another category has been judged to have a problem worthy of intervention (Guest, 1980). Jurisdictional allocation is no small matter and often raises quite contentious issues between levels, creating major problems for either individual applicants, or entire classes of them, who find themselves caught between the quarreling sides in a jurisdictional dispute.

A second reason for categorical systems is to legitimate need in cases where need alone is not considered a sufficient cause for assistance. Thus, judgements can be made which may permit single parents of either sex, or mothers only, to remain at home in a child-rearing capacity. The major point to be made about this purpose for categorization is that the definitions tend to be elastic and arbitrary. By this we mean that the boundaries of the categories can be set at any place, for example, single mothers of all children, or single mothers of children under six years of age, or of children under ten years and so on. The same is true for all the other categories. The definitions are chosen on the basis of value judgements and estimates of cost and, once chosen, can be changed at will. The arbitrary nature of the content of the categorical definitions is often tempered by the discretionary character of their implementation. Such discretion tends to be a double-edged sword: on the one hand it tends to humanize what might otherwise be experienced as harshly inflexible; on the other hand it tends to create considerable variation in the treatment of like cases. But, discretionary or not in its administration, the creation of categories legitimates the need of some people and renders that of others as either illegitimate or less valid.

A third purpose of categories is to create services to accompany assistance that respond directly to the reason for need. Historically, this marriage of services and assistance is the genesis of many of the personal social services with which we are now familiar. Categorical social assistance is inevitable where assistance and services are merged at the point of delivery. Both merged and separated systems are found. Prevailing opinion in social welfare evaluation is that merged systems can be effective only if the services are appropriate to the needs of the recipients, rights to financial assistance are independent of compliance with the rehabilitation plan and the categories do not create barriers to access to other helping systems. Separated systems are judged to depend for effectiveness upon availability of a sufficient supply of services, ease of access to them and adequate referral networks between social assistance and rehabilitative services (Hoshino, 1971; Kahn, 1973; McDonald and Piliavin, 1981). Categorization of social assistance recipients is believed to be more appropriately associated with the merged system.

SUBSISTENCE RELATED BENEFIT LEVELS

Social assistance benefit levels are only intended to provide the cost of bare necessities. In some jurisdictions, benefit levels are usually calculated on the basis of a market basket approach; that is, a determination is made of the minimally required sets of goods and services in order to maintain life for the members of the recipient unit and the entitlement is based on the cost of these items at a particular time (see, for example, City of Winnipeg, Social Services Department, 1983; Social Council of Metropolitan Toronto, 1983; and Manitoba Home Economics Directorate, 1982). These may be periodically adjusted to reflect increases in prices; often they are not, or they are but with delays and also at less than the rate of price increase. Jurisdictions, for example small towns and villages, may not even make an attempt to relate the benefit level to the cost of a market basket of necessary goods and services. It is not unusual for a small amount of money to be deemed to be adequate to meet the cost of basic necessities even when it is not.

What is permitted in the market basket itself may force people to do without what other members of the community can usually take for granted. The budget items may not permit leisure time or sports activities for children. Holidays or special occasions may be required to go uncelebrated except in the most meagre of senses.

People may remain housebound because they cannot afford the cost of transportation. Goods may have to be discarded because there are no funds to pay for repairs. Even as common an item as a telephone may be defined as a luxury good except for those who have medical need of this by now ubiquitous form of communication. Social assistance does not permit much comfort and probably any grace for those who receive it.

The contents of the market basket is a judgement made in the light of community standards. Except in communities with the most stringent standards, rates do take some account of the general standard of living in the concerned area. A subsistence level in Canada would be regarded as far above the community standards in the less developed world. Still, because of the relativity to community standards, it needs also to be understood that to have the lowest income in the community, which is more often than not the case for social assistance recipients, is also to have the lowest social standing in the community.

The benefit level is also a function of the minimum wage rate (Armitage, 1975). This is in keeping with the principle of less eligibility referred to earlier. Social allowance rates for individuals and heads of small families are usually not permitted to rise above the level of income received at full employment at minimum wage.

The low level of support is revealed most starkly in a comparison of social assistance rates to any of the poverty lines which have common use in Canada. Social assistance levels are usually at from fifty to sixty percent of the Statistics Canada low income cut-off (LICO), itself lower than either the Senate of Canada or the Canadian Council on Social Development poverty lines. The latter two lines, although calculated differently, represent income levels of roughly half the average income for families of different sizes; social assistance rates are at best about only half of those. Thus, the very minimal nature of support from social assistance becomes highlighted; social assistance rates are set at levels of from twenty-five to thirty percent of the average income of Canadian families

DISCRETION

As pointed out above, social assistance benefits are meagre entitlements even in the best of systems. It is assumed that these benefits will meet the needs of the recipients. In many respects, for almost all the recipients, there will be needs which cannot be covered by the amounts provided but which are so important that they cannot be ignored. At this point, social assistance systems incorporate the use of discretion, either in the creation of benefits which may, but need not, be offered in certain circumstances, or in the making of extraordinary decisions not covered in the rules.

Discretion is also employed in considering eligibility for social assistance. There are virtually no means tests which do not require the exercise of some judgement or which do not permit a special decision to cover a unique situation. Once eligibility has become established, its continuation often depends on discretionary judgements about asset or income levels, marital status, continued disability or myriad other factors which might cause assistance to be reduced or discontinued.

Thus, whether in relation to eligibility or level of support, virtually all social assistance systems are heavily invested in the use of discretion. Much of the complexity of the administration of social assistance can be attributed to its use.

Discretion is a mixed blessing both for recipients and for the system which employs it. For those receiving social assistance, the possibility that their entitlements can be altered through the recognition of special or extraordinary circumstances becomes a potential safety net to be appreciated; the system may offer additional help in situations of dire need. However, discretion may also be used to reduce benefits or to cut off eligibility so there is never a guarantee that it will operate to the benefit of the applicant or recipient (Greaves, 1983). When requests are initiated by recipients, they become special pleaders, petitioning the authority with the legitimacy of their need and their lack of other alternatives. That this may be demeaning is obvious. Perhaps less obvious but equally important is the fact that the context in which discretion is exercised gives rise to excellent opportunities for social control and manipulation (Handler, 1979). Tying the need for income to attempts to manage behaviour is regarded by many as illegitimate. The use of discretion to correct the effects of benefit levels that are already known to be too low may also be illegitimate.

Some social welfare analysts fear that recipients are conditioned to learn that the social assistance system will spare them the consequences of having made bad decisions or having used poor judgement and that, in a sense, discretion becomes associated with a release from normal responsibility. If, and to the extent that this is so, discretion may thereby become an invitation to long term dependency (Handler, 1979). Finally, because discretionary decisions are often made by a large number of people and in different settings, these decisions are highly unreliable in the sense that like circumstances are often treated differently while different circumstances may be treated alike.

For the social assistance system itself, an advantage cited for discretion is that it affords the possibility of flexible response to the very special needs of the recipients. It is also regarded as cost-effective by its selective direction of extra benefits only to those adjudged to require them. The use of discretion tends to be more feasible when caseloads are of manageable size but more difficult when workers are responsible for overly large numbers of recipients. Discretion permits workers to enjoy leverage over recipients in that they can invite, or actually demand, particular behaviour of the recipients as a condition of meeting their requests; some analysts of social assistance regard this as a strength rather than a weakness. Discretion also provides workers with opportunities to enact their biases, treating the requests of favoured groups more positively than for recipients from devalued groups or with less likeable characteristics. For the system, a body of evidence has emerged to demonstrate that discretion is expensive not solely because of its labour intensiveness but because the variability of support levels creates problems in the administration of benefits and offers greater opportunities for error (Bendick et al, 1979; Piliavin, Masters, and Corbett, 1979; Greaves, 1983).

A typical social assistance system requires that workers make difficult decisions for which there may not be clear evidence. For example, is a female recipient cohabiting with a male acquaintance? If so, is it a marriage-like union? Whether or not it is, does the male contribute to the support of her children? And so on, ad nauseum! Indeed, judgements about issues such as these are made, more often than not, on tenuous evidence, by busy people, in circumstances that often violate the rules of natural justice (Manditch Prottas, 1981).

Finally, as the other side of the risk of overdependency by recipients, discretion may engender overprotectiveness by the social assistance system. If recipients are unduly protected from the consequences of their own behaviour, discretion can become associated with the belief that the system needs to take more responsibility than the recipient for issues that are of the recipient's making (Briar, 1966; Brickman et al, 1982).

MARGINAL RELATIONSHIP TO LABOUR MARKET

Earlier, the point was made that the attribution of employability has little to do with the availability of employment or the state of the economy. Rather, one's designation as employable depends on one's state of health and the absence of any major infirmity. For employables, social assistance customarily insists upon reasonable efforts to find work and the acceptance of reasonable employment, if available, as conditions of eligibility. Some systems will go further and attempt to create work which can be offered to applicants or recipients as an alternative to assistance. Other systems go further and create tasks to be performed by recipients not as jobs for wage or salary but as performance for assistance. Which of these alternatives is chosen is usually a matter of resources, ideology and beliefs about the kinds of persons that are found on the assistance rolls at any given time. There is never any guarantee that harsh and punitive alternatives will not be chosen even in the worst of times; indeed, some of the most repressive measures are often found when unemployment rates are highest and negative personal characteristics of applicants least likely to be relevant (Mencher, 1962; Bella, 1983).

Even when the social assistance system wishes to find real and reasonable employment for its applicants or recipients, it has a limited ability to do much. Departments concerned with social security and social services are not charged with the task of economic management and possess no real competencies or resources with which to create many jobs. The economic climate in which this report is being written suggests that we should have modest expectations even of those levels and departments of government whose particular mandate it is to manage the economy. How much more modest should our expectations be of the departments whose task it is to deal with the consequences, not the causes, of unemployment!

Social assistance systems usually point out that there is a class of recipients for which they do have a relevant responsibility in regard to employability. These are the persons who could be employable were it not for some personal characteristics which interfere with their participation in the labour force. The characteristics vary widely and may include issues such as defects in literacy or other educational qualifications, the need for retraining due to a skill having become obsolete or lost through disuse, improper motivation to work because of attributes of personality, the need to be socialized into the culture of modern North American work where this has not been part of the recipient's culture, the need for training in basic life skills and so on. It is quite common for social assistance systems either themselves, or through others, to arrange to provide some programs designed to address these issues. That these programmatic responses are made available is to be applauded. Often they are in short supply and ill conceived (Ginsberg, 1977). The better ones can be demonstrated to be effective but usually at high per participant cost (Nichols, 1979; Hawkins and Dustin, 1982). Generally what has come to be called the "human capital approach" to social assistance requires certain conditions to be successful and cost-effective (Rees, 1979; Gunderson, 1980).

First, it is important that the auspices for programming be appropriately selected; it is too often assumed that a department of social services is the best source of training, retraining or certain forms of rehabilitation. These responsibilities may be better allocated to the departments and agencies for whom the activities are mainstream and ongoing. Enclaves of inappropriate intervention under the wrong auspices have been found to elicit failure or, at best, result in mediocrity. Second, assured connection of the intervention to actual employment at the end of the program (or, in the best of circumstances, from the very beginning) is more generally associated with much higher rates of long term success than any other form of training or retraining. People appear to respond best to the existence of real jobs which will be theirs on the completion of the training (Goodwin, 1972). Finally, a host of ancillary and support services are needed to keep participation and performance levels high (Rein, 1982). These include day care, access to low cost housing, assistance in obtaining prostheses, access to specialized medical services and so on. For the participants in programs designed to improve and enhance employability, the evidence suggests that the surrounding context needs to be as hassle-free as possible. Finally, there is the issue of duration. What has been found to be best are programs long enough to provide essential skill or work habits but short enough to have the reinforcement of a real job (Goodwin, 1972).

When all is said and done, however, we still need to recall that employability is related to, but separate from, long term employment. The social assistance system cannot ensure that there will be an adequate number of decent jobs paying adequate wages. Unfortunately, many social assistance programs do not temper their more coercive expectations about work by recognizing their inability to affect the labour market in any significant way. Applicants or recipients sometimes are made to suffer disproportionately for circumstances not only beyond their control but beyond the control of the government which assists them.

ENFORCED DEPENDENCY

While social assistance is usually designed to indicate that independence of external support is by far the most preferred state, the manner of, and the rules surrounding, its provision may lock people into long term and deeply rooted dependency. Some of the features of social assistance which contribute to this outcome have already been identified. Some of the more prominent are: requirements that personal resources be exhausted, the effects of subsistence level living on the life chances of the next generation, insufficient training and social support programs or facilities, learned helplessness associated with overly intrusive case management and highly discretionary systems, and so on. Others, while they were designed for good reasons, have tended to produce unanticipated and negative side-effects.

A case in point is the benefit reduction rate for those who have the capacity for some but not enough work to be totally self-supporting. A dollar for dollar reduction of entitlement constitutes a one hundred percent tax rate and, as such, is a strong disincentive toward efforts to augment one's income. The lower the penalties for earning extra income the greater will be the desire to work. Our value system prizes independence, hard work and self reliance to such a degree that we reward it in our income tax system by providing positive incentives for the pursuit of particularly valued investment or expenditure behaviour. It seems curious that social assistance systems tend generally to have benefit reduction rates considerably higher than the highest marginal tax rates in the personal income tax system. That is, those at the lowest income levels in society are taxed at higher rates than the most affluent for attempting to do the very thing society most wants them to do - work. The disincentive effect of a high tax rate is sufficient to cap the motivation to work even part-time, and thereby maintains dependency more completely than would otherwise be the case. (Rein, 1982)

There are other features which perpetuate dependency. It is not uncommon for the social assistance entitlement to contain a benefit-in-kind, for example, a health card to cover the costs of non-insured health needs. Certain costs which become out-of-pocket expenses for everyone else are automatically covered for enrollees. The advantage of this benefit can be considerable to those who themselves, or whose family members, generally would incur costs were it not for this particular provision. Normally, social assistance systems tend to tie benefits-in-kind of this nature to continued enrollment. Any departure from the program, even if only temporary, may result in the loss of the benefit and accordingly may be defined by recipients as too great a risk to incur (Rein, 1982). Again, a feature designed to assist may have the opposite effect on independence and self-sufficiency.

This effect can be seen in an exaggerated form when the social assistance recipient enjoys a number of benefits-in-kind as well as separate subsidies, each of which has its own termination rule or benefit reduction rate. In these situations, which are quite common, it is possible for the loss of benefits to be greater than one hundred percent. Bizarre as it may appear to be, it is possible for recipients to lose more than a dollar for any dollar of earnings. The implications for continued dependency need no elaboration.

The set of factors just discussed is generally known as "the poverty trap". The essential point is that the overmanagement of eligibility and benefit structures as well as the malintegration between programs makes it irrational for people to risk being worse off by seeking to become more independent (Hoffley and Geisel, 1971). Psychological learning theory indicates the need to reinforce desirable behaviour by reward if it is to become habitual. Social assistance systems have elements which do the exact opposite; they react to desirable behaviour negatively and, thereby, extinguish the very behaviour that is desired.

STIGMATIZATION

Finally, there appears to be an inexorable tendency for social assistance recipients to be held in low regard in society. To some extent, this stigmatization is independent of the manner and style of social assistance program operation. It reflects longstanding community judgements, belief of erroneous information, selective bias, unsympathetic media attention, insensitive political leadership and the negative judgements customarily reserved for those at the bottom of the heap. Even when the social assistance system works humanely and with sensitivity, recipients and their families tend to be viewed as having less worth. It is quite common for even the most worthy of recipients to be stigmatized to some degree and to suffer from the ignominy of what Irving Goffman (1963) has called "spoiled identity".

There is also the tendency for social assistance programs themselves to operate in a manner which exacerbates the stigmatization process (Heppner, 1974; Waxman, 1977; Loewenberg, 1981; and myriad others). Procedures are employed which publicly label recipients as such to storekeepers and fellow shoppers (the use of vouchers instead of cash), to landlords and employees of public utilities (direct payments of rent and utility bills), to neighbours (through enquiries to them about visiting patterns of male friends or other aspects of recipients' lives) and a whole series of administrative procedures designed to ensure that eligibility and benefit levels are still valid. There are other features which demean recipients, for example the frequent requirement that expensive but necessary items must be bought second hand, the need to have special permission to take courses or receive training, the pleading that is necessary to set in motion a discretionary decision and the fact that certain items, like a telephone, are excluded from the permitted market basket, to name just a few. Social assistance systems pay so much attention to the need to protect other members of the community from the excesses of recipients that recipients as a class come to define their all too modest allocation as an unfair charge upon the community. Recipients begin to regard themselves as unworthy and undeserving of better. They adopt toward themselves the negative attitudes prevalent in the wider community.

This is only part of the cost of stigmatization. There is evidence that society pays a cost for its treatment of social assistance recipients because low self esteem and low regard in the eyes of others place a brake upon ambition and risk-taking by recipients; more dependency, longer-standing dependency, and a greater likelihood of intergenerational dependency are the results (Nadler, et al, 1976; 1979; Fisher et al, 1982; Saxe and Dougherty, in press). Thus stigmatization is part of the poverty trap. To elicit behaviour which will increase independence and self-sufficiency, it is necessary to increase, not diminish, the self-esteem of recipients. By making it so psychologically uncomfortable to be on assistance, society may incur an unnecessarily high cost.

In this Chapter we have reviewed the major elements of social assistance programming as these have come down to us over the centuries. Much of what has been described as typical of the late twentieth century survives in still recognizable form as a vestige of seventeenth century social and economic thinking. The specific application of this analysis to Manitoba will be found in the chapter which follows.

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CHAPTER IV

SOCIAL ASSISTANCE IN MANITOBA

A CRITIQUE

Chapter II has described the many means used by the Task Force to study the social assistance system in Manitoba. We have been gratified by the richness of the information which we have been able to gather, and we have often been impressed by the concurrence of views from the various sources. This had provided the basis of the understanding of social assistance in Manitoba which is explained in this Chapter. Although a complete presentation of all available information is precluded by considerations of space, we will provide examples of what has led us to this understanding.

Chapter III has demonstrated that the traditional approach to social assistance has its doctrinal roots in the Elizabethan Poor Laws of sixteenth and seventeenth century Great Britain. Historically, this particular form of social provision was imported to Canada in the late nineteenth and early twentieth centuries. This Chapter will show that, although there have been many improvements in social assistance programs throughout the decades, the basic structures of social assistance in this province continue to be based upon the traditional approach.

LAST RESORT

Traditionally social assistance programs are meant to constitute the final safety net to be used only when it is absolutely clear that a person or family are no longer capable of self-sufficiency. This is openly acknowledged in Manitoba's social assistance legislation and regulations and, indeed, in the Terms of Reference of the Task Force. Thus, subsection 5(1) of The Social Allowances Act limits eligibility for the provincial Social Allowance Program to those who meet categorical eligibility criteria, and "who, if the social allowance were not paid, would in the opinion of the director be likely to lack the basic necessities." Similarly, the following eligibility condition is set for those of the unemployed employable and temporarily disabled applicants for whom the provincial tier is responsible.

> "The applicant shall produce evidence that he has explored within the limits of his ability every possibility of self-support." (emphasis added) (Manitoba Regulation 202/77 subsection 11(3))

The "last resort" nature of municipal welfare programs is also easily apparent given even a cursory reading of relevant by-laws.

Manitoba's programs are not unique in this regard. Every province and territory has similar provisions. These programs form the final safety net of the social security system. The federal government has supported the last resort pattern of provincial social assistance programs through the requirements for cost sharing under the Canada Assistance Plan.

The various elements [illegible] traditional social assistance programs designed to verify alleged dependency and to ensure that other resources are not available are clearly present in this province's programs. Their particular form will be described and evaluated in subsequent sections of this Chapter.

MEANS TESTED EVALUATION OF RESOURCES

Means testing involves the identification of income, assets and other means of self-support with which a person could remain independent of social assistance. The Canada Assistance Plan requires that a needs test be developed by the province and administered to each applicant in establishing eligibility. The specified test should use the budget deficit method, which involves the subtraction of an applicant's budgetary requirements from his/ her resources. Budgetary requirements are equated with benefit levels. Resources include all income, assets, and government payments except for those few specifically exempted. In Manitoba, the needs test contains a categorical element which tests the reason for need, i.e. disability, care of young children, unemployment, age, and so on. This element is absent in the needs tests of many other provinces. In addition to the provision of social assistance to those actually in need, the Canada Assistance Plan allows for federal cost-sharing of social services for those "likely to be in need" if the services were not provided. This potentially preventive provision of C.A.P. is not extensively utilized either in Manitoba or in other provinces.

The Task Force has found many inequitable, unfair and arbitrary aspects of need testing in Manitoba. There is much variation among municipalities, and between the municipal and provincial tiers. Unemployed employable applicants are often required to expend virtually all of their resources in meeting basic needs before they become eligible for social assistance. Sometimes they are required even to liquidate the resources, for example, work tools, with which they can earn their livelihood.

Recipients assisted by the municipal tier may be required to repay all or part of the assistance which they receive. This obligation may be secured through liens taken by the municipality against current or future resources. Recipients in similar situations, served by the provincial tier because they live in unorganized territories, do not incur such debts through enrollment for social assistance benefits. Consideration of municipal assistance as a repayable debt also seems inconsistent with the spirit, if not the letter, of the Canada Assistance Plan.

In the zealousness of the need to ensure that those enrolled on social assistance should not have alternative sources of support, insufficient attention may be paid to the consequences of having applicants pursue these alternatives. There is much evidence that the social assistance system in Manitoba sometimes pursues this concern in an unreasonable fashion. For example, separated and deserted female applicants are at times required to pursue maintenance as a condition of eligibility from spouses whom they have demonstrable reason to fear even when there is very limited probability of significant financial return. Some municipalities expect that newly separated female applicants initiate action for legal separation as a condition of eligibility, thus requiring a major decision to be made quickly when the applicant is in crisis. This may unnecessarily increase the likelihood of permanent separation.

We have found many instances in which applicants or recipients have been judged to have the use of income or assets which they, in fact, do not have. Such "deeming" provisions are designed to ensure that applicants are indeed taking proper advantage of every available opportunity to continue self-support. While a legitimate intention, deeming can be done unreasonably. For example, recipients are often deemed to have income from adult children in the home when the son or daughter may be unable, or refuses, to contribute to the family budget. A double disadvantage arises in which benefits are not received for the basic needs of the son or daughter and the family's benefits are reduced because of the imputed financial contribution. The current tendency of young adults to return to their parental homes in the absence of available work highlights the problem. Often, if the adult child was not at home, he or she would be a recipient of social assistance.

Much of the observed inconsistency of needs testing is due to the lack of case-to-case reliability of discretionary decision-making. Many decisions about the treatment of resources in needs testing are left to the judgement of social assistance program staff. Within very broad parameters, they decide which resources to exempt from consideration, when to require liquidation of all assets by unemployed employable applicants, which personal property is essential to the health and well-being of the applicant, and so on. We have evidence of the different treatment accorded applicants with similar financial resources and in similar situations. Municipal assistance may or may not be considered a debt and may or may not be secured by a lien. A great deal of variation in the use of discretionary power both between and within municipal jurisdictions has been reported to us. Similar applicants are treated differently; the results are clearly unfair.

Care must be taken in setting the level of resources which an applicant may hold and still be eligible for social assistance. If the level is too high, individuals and families who could be self-supporting may be enrolled. If it is too low, the dependency of those enrolled may be reinforced. We have found that the latter is much too often the case in Manitoba. For example, fishermen have been required to sell their boats and fishing equipment. Rural applicants have been required to sell the cars needed to transport themselves to employment. These are the very assets through which such recipients could again become self-supporting. Similarily, the low level of permitted liquid assets discourages saving and makes it very difficult to muster the resources with which to become self-sufficient in the long run. Being divested of most of their assets and penalized for attempting to save also take a toll on self-esteem and self-sufficiency. Permanently disabled recipients are particularly affected by the stringency in assets testing because they are least likely to be able to replace dissipated assets through earnings. The strictness of need testing in Manitoba is clearly evident when the liquid asset exemption levels of the provincial Social Allowance Program are compared with those allowed under the Canada Assistance Plan guidelines.* Municipalities generally use even more rigorous assets testing.

In Manitoba, the applicant must sign a virtually unrestricted release of information form which allows the social assistance program to contact whomever it wishes to verify information. In some municipalities, the details of an applicant's need test may be taken in a public place and may be discussed at a public council meeting for corroboration. Procedures like these subject applicants to public humiliation. This is especially disheartening in the face of evidence that the self-declarations of most applicants are highly reliable, and can be verified through occasional and sensitive confirmation.

In conclusion, we have found that the particular forms of needs testing in Manitoba's social assistance system are too often unreasonable, inconsistent and unfair. The process is generally needlessly demeaning and stigmatizing to applicants. The tests themselves contain elements which are so stringent as to make the re-attainment of self-sufficiency very difficult for applicants. The needs test utilized in Manitoba may therefore be a self-defeating element of our social assistance system.

SEPARATION OF EMPLOYABLES AND UNEMPLOYABLES

Like traditional social assistance systems, Manitoba social assistance differentiates between employable and unemployable recipients. Those defined as unemployable are served by the provincial Social Allowance Program; those defined as employable are served by the various municipal jurisdictions, with the provincial general assistance program acting in those areas not organized as municipalities. This jurisdictional division of responsibility, once the pattern in every province, is now found only in Manitoba, Ontario and Nova Scotia.

Throughout our review, there is a great deal of evidence that employable

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* The Canada Assistance Plan Guidelines allow:
$2,500 for a single person
$3,000 for a single disabled person
$5,000 for a person with one dependent
$5,500 if applicant or spouse is aged or disabled
$500 for second and each additional dependent

The provincial social allowance program allows:
$300 for recipient in hospital or institution
$400 for other recipients up to $2,000 per family

recipients are treated as less deserving whether served by municipalities or the province. They are subjected to stricter need tests which often require a greater exhaustion of resources. Many are required to repay assistance as a debt when it is received from a municipality. Most municipalities require continual re-administration of the needs test on a regular basis. In some municipalities recipients have been required to work for their assistance although, according to The Social Allowances Act, the municipalities cannot obtain provincial cost-sharing if they do this.

More importantly, generally employable recipients receive significantly lower benefit levels than those eligible for provincial assistance because they are considered unemployable. For example, the provincial general assistance program permits only budget items necessary to meet emergency need to be granted although all items of need may be granted at the discretion of the program staff. Similarily, most municipal assistance programs provide only for those expenditures seen as absolutely necessary, especially for new enrollees. Even the City of Winnipeg, which currently provides benefits at rates similar to those of the provincial program, does not generally provide for clothing until the fifth week of enrollment.

Beyond this, even the regular rates stated in most municipal by-laws are below those of the provincial program. Many use provincial rates from a number of years ago and have not increased them over time. Others provide benefit levels which are clearly punitive in that they constitute approximately fifteen percent (15%) of the social allowance rate for a given item of expenditure. We have also found that many municipalities provide less than the rates allowed in their by-laws. Clearly, employable recipients are treated as less eligible for normal goods and services then their disabled counterparts.

Local responsibility for the administration of social assistance is a double edged sword. It allows for the marshalling of community resources to assist those seen as deserving. It also allows for public castigation of those perceived as undeserving. We have seen indications of both. However, in Manitoba, employable recipients, most often seen as undeserving, are vulnerable to local punitive action by the jurisdictional division of responsibility. Unfortunately, there is much evidence of punitiveness. Many municipalities offer assistance in the form of vouchers, which identify recipients as untrustworthy or incompetent. As described earlier, some decide eligibility through public discussion which humiliates applicants. Finally, representatives of many municipal assistance programs have openly described to us the ways in which the "undeserving" are subject to stricter eligibility requirements, the threat of liens, a more difficult application process, the offer of lower benefits, and so on.

In Manitoba, employability is designated according to personal rather than social or economic criteria. An applicant not assessed as meeting eligibility criteria for provincial social allowance is classed as employable. No reference is made to the availability of labour market opportunities in the assessment process. Thus, in times of high unemployment, the municipal tier experiences much more caseload growth than the provincial tier. The result for recipients for whom there is no work is that they continue to be treated worse than those who cannot work because of a disability.

Other than those whose eligibility for a provincial social allowance is due to age, attendance at an educational institution, or the care of dependent children, the judgement of unemployability is based upon the medical assessment of mental or physical incapacity. We have found that this gives rise to the problems outlined in Chapter III. Many recipients classed as medically employable are not realistically employable at all. For example, there are many municipal recipients in their fifties or sixties, with sporadic employment histories, limited education, few skills and long standing alcohol problems who are classified as employable despite the extremely low likelihood that they will obtain employment.

Even among those found to be unemployable, there are negative effects of the medical assessment requirement. Mental health workers have indicated to us that the manner of assessing medical incapacity as a condition of eligibility teaches their clientele to maintain their symptomotology in order to maintain their financial security. Similarly, disabled consumers have stated that they find that a medical definition of unemployability itself reinforces structural and psychological impairments to labour market entry.

In conclusion, we have found that the assessment of employability in Manitoba's social assistance system is often unrealistic in that it does not reflect the actual likelihood of recipients becoming employed. However, the designation of employability does clearly result in harsher treatment. Current arrangements seem to reflect the fear that the able-bodied will not become self-supporting unless assistance is made unpleasant. As we will explain in Chapter VII, we have found much evidence that the opposite may often be the case.

CATEGORIES OF RECIPIENTS

Chapter III told us that, in traditional social assistance systems, categorization of recipients is undertaken for at least three reasons: jurisdictional allocation, legitimization of need and service generation. At first glance, the categorical division of recipients in Manitoba's social assistance system seems to be consistent with the logic of the traditional approach. However, our examination has revealed that this is not the case.

In Manitoba the provincial tier serves the following categories of recipients:

- persons with a mental or physical illness or disability likely to last for more than 90 days;
- elderly persons sixty-five years of age or over;
- mothers who have dependent children and who are either widowed, divorced, never been married, deserted or separated from their legal or common-law husbands for more than 90 days;
- wives of men who have been sentenced to prison for 90 days or more;
- children whose parents are dead or unable to contribute to their maintenance and who are totally dependent on other persons for their basic necessities;
- persons with one or more dependents who need special care in a residential institution, a day nursery or a foster home or who require care by a nurse or housekeeper;
- persons who are taking undergraduate academic or technical vocational training.

The municipal tier is left with responsibility for all other recipients. It is often stated that this jurisdictional division has been made on the basis of the anticipated duration of assistance. According to this view, the provincial social allowance program serves those likely to require long term assistance while the municipalities are responsible for those likely to re-attain financial independence quickly. This has simply not proven to be the case. Even in the best of economic times, some municipal recipients remain on assistance for years because of various personal, social or cultural impediments to employment and/or the sheer lack of available jobs. This is exacerbated during periods of higher unemployment. Conversely, many women with dependent children on the provincial social allowance program leave the program quickly through employment and/or remarriage.

This particular mode of jurisdictional division raises several problems. For example, mothers with dependent children separated or deserted for more than 90 days must transfer between tiers with the attendant personal and program costs. There is frequently interjurisdictional disagreement about which tier should be responsible for assisting a particular applicant or class of applicants. Sometimes applicants are caught in the middle of conflicting medical opinion about the duration of their unemployability. Similarly, some municipalities consider alcoholism as a disease and thus refer applicants with drinking problems to the provincial Social Allowance Program; the province often rejects such applications as not meeting its medical unemployability criteria.

The current categorical divisions also seem much more complex than is justified by the legitimation of need. For example, if the judgement has been made that provincial assistance will be offered to sole support female parents and their dependent children, is it necessary to subdivide them according to whether the family heads are widowed, divorced or have never been married? While possibly useful for the assessment of potentially available resources, it seems irrelevent to establishing eligibility.

The elastic and arbitrary nature of categorization may be seen through an examination of the history of the provincial tier's responsibility for such recipients. In 1964-65, provincial assistance was granted only to widows and their children and female-headed families in which the breadwinner had deserted for four or more years. In 1967-68, eligibility was expanded to include female-headed families in which the breadwinner had deserted or been sentenced to jail for one year or more and unmarried mothers caring for two or more children. By 1970, unmarried mothers with one child and female-headed families in which the husband had been jailed or had deserted for three or more months were added. Currently, there are requests for the inclusion of male single parents and their children within the categories served by the provincial tier; it is argued that arrangements which deem male single parents as employable, while deeming the female single parent not, contravene the Charter of Rights. While categorization is elastic over time, the divisions in use at any given time are indeed important. They define the distinction between those seen as legitimately in need on the basis of unemployability, and those seen as less deserving.

In the Manitoba provincial program, the delivery of financial assistance and personal social services have been separated from one another for over ten years. In our interviews with social allowance field staff, the nature of staff activities with recipients is found not to vary according to the category of enrollment. Regardless of category, eligibility is tested, budgets are set, discretionary requests are dealt with, resources are reviewed, and so on. In Manitoba categorization does not seem justified because targetted services are not part of the social assistance program.

In conclusion, categorizing recipients in Manitoba appears to have many inconsistent elements. The allocation of jurisdictional responsibility is more clearly related to beliefs about employability than to their realism. Categorical distinctions in the provincial tier are complex and seem unnecessary to establish the legitimacy of need, and they are not required for the targetting of service. Categorization in Manitoba appears to have little to do with the effective operation of the social assistance system.

SUBSISTENCE RELATED BENEFIT LEVELS

In the traditional approach, benefit levels are intended only to provide for the most basic necessities of life. They are often calculated according to a market basket approach and include only those items considered absolutely necessary for subsistence. Benefits in Manitoba's social assistance system conform to this aspect of the traditional approach. The maximum allowed in the provincial social allowance basic budget includes food, clothing, personal needs, household supplies, shelter and related utility costs. Such essential items as household furniture, appliances, children's school supplies, repair of essential equipment and so on are considered "special needs" available only upon the specific approval of program staff. There is no provision for expenditures related to leisure, recreational, ordinary social or developmental needs, despite the fact that recreation is included in the definition of basic necessities in the Canada Assistance Plan. Transportation expenses are generally covered only if they relate to health, employment, educational or extraordinary social needs. Telephones are available in the budget only if required for medical and employment purposes even though a vast majority of the population have them in their homes. As has been previously described, recipients assessed as employable are often provided with only those items from the market basket deemed necessary for emergencies. The result is clear. Social assistance budgets in Manitoba do not allow purchase of goods and services necessary to enter or remain in the regular stream of community life.

A second problem with the levels of social assistance benefits in Manitoba is that there are no legislative requirements for periodic indexing to meet the rising costs of items which are included in the market basket. Thus, benefit increases depend upon the preferences of the governments of the various jurisdictions and often tend to be irregular. For example, in the summer of 1981, provincial social allowance recipients were receiving twelve percent less in real dollars for basic necessities than in November, 1977 because benefits had not been raised to account for inflation (McKenzie, 1981). Many municipalities adjust their benefit rates even less frequently.

A third problem with regard to social assistance benefits in Manitoba is the variation in rates. This occurs specifically because each municipality sets its own benefit level. The provincial social allowance program and the City of Winnipeg Department of Social Services tend to provide the most generous benefits. Of the smaller municipal assistance programs, some adopt provincial rates while others set benefits at rates of their own determination. Some municipalities make no provision for household or personal needs, and some set benefit levels at as little as 15% of provincial rates in some categories of the budget (see Appendix C for details). Furthermore we have found that many municipalities actually provide assistance at far below their own stated rates. The result is a great deal of inequity. Recipients are treated differently, not according to their particular needs, but according to the tier which assists them and to the municipality in which they reside.

However, the most serious problem with benefit levels in Manitoba's social assistance system is the very low level of support which they offer. As can be seen from Table I, social assistance rates in Manitoba are generally between 39% and 63% of Statistics Canada low income cut-off (LICO) with only the benefits of large families in rural areas rising above this.* Similarly, they constitute only between 35% and 50% of the Canadian Council on Social Development poverty line, and from 30% to 44% of the Senate of Canada line. Furthermore, the operation of the principle of lesser eligibility is clear as benefits for one to three person family units fall below the net earnings of those receiving minimum wage. The very minimal nature of support from social assistance is beyond dispute.

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* This occurs not because benefits rise, but because LICO diminishes in rural areas.

NOTE: NON-DISCRETIONARY BENEFITS ONLY. SEE FOOTNOTES 5, 6.

TABLE I

COMPARISON OF ESTIMATED 1982 POVERTY LINES[1], SOCIAL ASSISTANCE BENEFITS[2], AND MINIMUM WAGE

FAMILY COMPOSITION[3]	C.C.S.D. REVISED POVERTY LINE	STATS CANADA LICO RURAL	STATS CANADA LICO METROPOLITAN	REVISED SENATE	MINIMUM[4] WAGE	CITY OF[5] WINNIPEG	PROVINCIAL[6] SOCIAL ALLOWANCE
	$	$	$	$	$	$	$
Single Person	7,975	5,307	7,303	8,932	7,160.88	3,588	2,817.60
Two Person Family - 2 adults	13,292	7,702	10,585	14,887	7,765.68	6,360	4,864.20
Two Person Family - 1 adult - 1 child, age 2	13,292	7,702	10,585	14,887	7,765.68	5,784	4,477.20
Three Person Family - 2 adults - 1 child, age 2	15,950	9,825	13,506	17,864	7,765.68	7,560	6,144.60
Four Person Family - 2 adults - 2 children, ages 2, 4	18,608	11,681	16,063	20,841	7,765.68	8,532	7,151.14
Five Person Family - 2 adults - 3 children, ages 1, 3, 5	21,266	13,062	17,958	23,818	7,765.68	10,584	8,842.20

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1. Source: Ross, David. The Canadian Fact Book on Poverty - 1983. Toronto: James Lorimer and Company, 1983.
2. Sources: Manitoba Regulation 202/77 being a regulation under The Social Allowances Act - rates effective January 1, 1982.
   City of Winnipeg Social Service Department. Review of Social Assistance Rates. May 25, 1983 - rates effective August 1, 1982.
3. See Appendix E for assumptions made regarding shelter and utility costs, calculation of minimum wage, and breakdown of benefits by expenditure category.
4. Effective July 1, 1982. 8 hours/day x 21 days per month = 168 hours. Required Unemployment Insurance Commission, Canada Pension Plan and Income Tax Deductions were taken into account (one person working).
5. Includes only basic budget rates specified in legislation. Health benefits, discretionary items and additional shelter allowances are not included. For example, in February 1982 amounts above those stated in the by-law then in force were provided in 25% of the cases receiving rental allowance in their Lord Selkirk and City Centre offices. The City's statutory rates used in the table were increased as of August, 1982.
6. Includes only basic budget rates specified in legislation. Health benefits, discretionary items and additional shelter allowances are not included. Provincial statutory rate schedules for shelter have not been increased since November, 1977. However, in 1982 discretionary guidelines for basic rent were from 3 to 4 times greater than those stated in the regulation.

This is a concern which we heard time and time again from every source, and in every forum provided. Members of the general public, assistance providers, recipients and the organizations with which we were in contact strongly agreed that benefits are seriously deficient.

In conclusion, we find that recipients of social assistance in Manitoba are clearly amongst the poorest of the poor. Their benefits are derived using market baskets which lack essential items and which are often seriously eroded by the increasing costs of consumer goods. Finally, there is clearly great inequity among the benefits paid by the various jurisdictions administering social assistance in Manitoba.

DISCRETION

As already noted, the providers of assistance generally have wide discretion about eligibility and benefits. This is certainly the case in Manitoba's social assistance system. It is clear that provincial legislation allows a great deal of room for the use of discretion in every aspect of social assistance program delivery. Earlier in this Chapter, we described the range of discretionary decisions associated with means testing.
The situation is the same with regard to benefit determination.

In Manitoba, it is the limited nature of the basic budget provided which makes discretion so necessary. For example, the provincial social allowance budget excludes many predictable, regularly recurring and essential expenditures except as provided on a discretionary basis from a special needs fund of one hundred and fifty dollars per year. (Additional amounts may also be approved by special requests to the Minister's designate.) Discretion applies to expenditures for such things as essential household furniture and appliances, repairs, moving and transportation costs, children's educational costs (including books, school supplies, gym equipment), and so on. Thus, recipients must make special requests for what are essentially normal needs which are then subject to the judgement of program staff. In some sense, through exclusion of these items from the basic budget, the autonomy of the recipient is ceded to the assistance providers.

Discretion in benefit determination goes far beyond the provision of "special needs". As described above, provincial general assistance and many municipal programs may grant those defined as short term recipients only a portion of the statutory basic budget to meet emergency needs. Indeed, subsection 8(2) of The Social Allowances Act offers the director* extremely wide scope for discretionary judgement in discontinuing, reducing, suspending or increasing benefits on the basis of information which he receives.

The provincial program, and those of some of the larger municipalities, continue to evolve extensive policy manuals in order to increase the reliability of discretionary decisions. These are indeed laudable efforts but examples abound of variation in decision-making having nothing to do with differences in the needs or circumstances of recipients. Inevitable in a highly discretionary system, such variation results in the unequal treatment of those in like circumstances.

In the course of our review, we have encountered both administrative variation and case variation. Administrative variation refers to divergent general interpretations of discretionary policies between the various municipalities or the districts of the provincial Social Allowance Program. Case variation refers to unjustified differences in the way similar cases are treated even within a particular jurisdiction. The latter results both from inconsistency among field workers and differential treatment according to whether a recipient (or a class of recipients) is favoured or disfavoured by a worker.

Essentially, administrative variation results in the development of different policies in different locales. It is inherently inequitable in that recipients are treated differently only on the basis of areas of residence. Differences among various municipalities in their use of liens is one example. Another involves differences in the criteria used to establish categorical eligibility for the provincial program. In one region, the district director clearly states his opinion that almost all applicants under subsection 5(1)(f) should be served through the child welfare system as children in need of protection rather than through the social assistance system as persons in financial need. Therefore, his discretionary authority allows him selectively to ration enrollment of such applicants much more than in any of the other regions of the program. In some cases, this has resulted in unnecessary intervention by the child welfare system which has been especially damaging for native families in which the provision of the informal alternate child care is the cultural norm. Systematic regional variation was never contemplated in the legislation establishing eligibility or in the social allowance program's policy statement. It does not relate to variations in need but to the unique interpretations of the discretionary decision-maker.

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* "director" includes the Executive Director, the director of any district office and one other person in each district office as designated by the Minister.

Case variation is also very common in Manitoba's social assistance system. In some jursidictions, benefit levels are set through a bargaining process between staff and recipient, thus varying according to the particular bargain struck. Many discretionary benefits depend upon the initiation of a request by the recipient; those who are more assertive and skilled in influencing program staff tend to receive more benefits. Favouritism has already been mentioned. There are also many indications of inconsistencies between the staff even within a single office. Thus, if a case is transferred from one worker to another, a discretionary benefit formerly refused is often granted or vice versa. Similarly, we found that while some provincial social allowance workers defined "common-law" very broadly and zealously attempted to detect such liaisons as a condition of eligiblity, others operated according to a more limited goal and looked only for whether or not there was a financial contribution to the household.

Generally, social assistance staff tend to favour the availability of discretion. They see it as necessary to offset the effects of low benefit levels, and sometimes to protect recipients from making unwise expenditures or taking injudicious action. Thus, some providers have refused to fund courses to which recipients had been admitted out of a conviction that the programs of studies were too difficult. Others have refused special needs requests for purchases of such items as bedding and kitchen utensils because they felt that the recipients needed other things more. Similarly, some assistance providers favour discretion as a means to influence recipients to behave in a particular way. For example, young unmarried mothers may be denied funds for independent premises to influence them to remain in their parental home. Personal allowances have sometimes been withheld in order to motivate able-bodied recipients to seek work despite very high unemployment in the area concerned. Actions such as these seem to attribute incompetence or lack of motivation to recipients. Although they often reflect concern, they limit the opportunities for recipients to learn to make prudent decisions. They may avoid problems in the short term but reinforce long-term dependence.

Discretionary decision-making is labour intensive and time-consuming. Savings from the discretionary rationing of benefits must be balanced by the increased administrative costs they engender. In our interviews, program providers confirm that much of their job involves the gathering of information and assessment of alternatives for such decision-making. This is certainly reflected in the job descriptions being developed by the provincial Social Allowance Program. However, in interviews, staff also report that caseloads are currently too high to allow proper consideration of discretionary requests.

In conclusion, it seems clear that there is a great deal of discretion in the Manitoba social assistance system. Some of this is necessitated by the inadequacy of benefit levels. Discretion is positive in so far as it meets needs not otherwise provided for, and because it allows flexible responses to individual needs. On balance, we believe it has many more negative ramifications. These include increased administrative costs, dimunition of recipient autonomy and unjustified variation in treatment of like cases.

MARGINAL RELATIONSHIP TO LABOUR MARKET

As has been indicated previously, Manitoba's social assistance system conforms to the traditional approach in that attributions of recipient employability are based upon personal characteristics. No reference is made to the availability of employment or the state of the economy. Nevertheless, as a condition of continuing assistance, employable recipients are generally expected to make efforts to locate work and to accept reasonable employment if available. Similarly, in many Manitoba municipalities, applicants who refuse or terminate employment without just cause are automatically found ineligible. Furthermore, in at least one municipality, assistance in any twelve month period for any employable person is automatically limited to 90 days for those with dependents and 30 days to those who are single. The expectation is clear. Those recipients who are deemed able must do all they can to become employed, or move.

Despite this expectation the social assistance system in Manitoba has not been able consistently to provide sufficient services necessary to help recipients gain access to labour market opportunities. Efforts have often been sporadic and too small in scale to have significant impact. This is especially clear in times of high unemployment.

The major undertaking of the Department of Community Services and Corrections in the area of employment training for those recipients assessed as capable of work are the Employment Services Program and the Work Activity Projects.[1] The former provides vocational counselling and arranges for training and work assessment placement. The latter is a pre-employment readiness program with elements of life skill training, counselling and work experience. Our main concern with these services is that they are grossly undersupplied. In 1982-83, these services received less than 2% of the Departmental budget. We have found a great deal of evidence that many recipients who need and want employment preparation services find that they are not available. The costs in long term dependence due to such rationing are obvious.

In 1982, there were seven Work Activity Projects in operation throughout the province. They were located in Dauphin, Portage la Prairie, Brandon, Beausejour, The Pas, Gimli and Winnipeg.[2] During that calendar year, they provided service of varying degrees of intensity to 1215 individuals of whom 940 were exposed to the regular program. The remaining 225 included participants in a Summer Student Program for school drop-outs, driver education programs and a pre-employment program focusing on mother's allowance clients. Of the 990 regular program participants in 1982, 490 remained in training at the end of the year. Of the 500 who left the Projects 173 (34.6%) completed training and were placed in employment or further training, while 327 (65.4%) did not complete the training due to withdrawal, suspension, referral to more appropriate programs (Manitoba, in preparation for 1983). The department has projected that in 1984 the Projects will serve somewhat larger numbers of clients.

The Work Activity Projects collect but do not systematically report information regarding the employment circumstances of participants who have left the Projects. In this they are like most employment training programs in Manitoba (Murdoch and Sale, 1983). This is highly regrettable since one cannot assess the effectiveness of the programs without such information. We do not know what is happening to the graduates. Are they completing the further training which they have undertaken? Do they maintain employment which they secured after training? For how long? It is alarming that a program with a projected 1982/83 budget of 4.1 million dollars does not endeavor more routinely to answer these questions.

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[1] Recently renamed as Human Resources Opportunity Program and Human Resouces Opportunity Centres, respectively

[2] The Project in The Pas began in August, 1982 and the one in Beausejour in September, 1982.

Unlike the elements of training found to lead to success in the human capital approach (described in Chapter III), the Work Activity Projects do not award a recognized credential, and do not offer assured connection to employment. Finally, because of the constraints of Canada Assistance Plan cost-sharing, they cannot pay recipients real wages for work done in the training experience.

In reaction to this limitation of the Canada Assistance Plan, the City of Winnipeg Social Service Department developed a number of projects using non-C.A.P. funding sources. For example, their Core Area Renovation Training Project drew upon time-limited grants from the Canadian Employment and Immigration Commission and the Core Area Initiatives to employ 84 trainees in various construction tasks. When renewal of sufficient funding was not received, the Social Service Department attempted to continue the project while paying trainees below the minimum wage. This was not permitted by the provincial Department of Labour and Employment Services and the project was terminated. A lesson to be drawn from this experience is that it is difficult for even the best-intentioned social assistance programs to maintain access to the necessary kind of funding and legitimization for sustained job creation and training. Such activities are seen to be outside the competence of the social assistance system, and may fall prey to the criticism of those departments and agencies in the main stream of employment creation and training. Although there are many indications that the Core Area Renovation Training Project offered excellent training, it did not offer certification or guaranteed connection to employment. Thus, it was more in a social assistance, than in an employment training, cast.

Many small municipalities are not able to offer any kind of employment training for recipients in their assistance programs. However, some do provide work for some of them. This work tends to be of short duration in the public sector at minimum wage or below. It tends not to be real work in the sense that labourers from the general labour market would be recruited to fill such positions. Where municipalities employ recipients on other than a wage basis, they must forego social assistance cost-sharing from the province.

In addition to these efforts of the social assistance system, the provincial Department of Labour and Employment Services offers various employment counselling and training programs aimed at those with serious employment difficulties. These include employment support and relocation counselling in the north, regionally-based vocational counselling (Career Resource Centres), industrial trade training (Selkirk Training Plant) and the New Careers Program. The latter offers a combination of on-the-job training and classroom instruction in order to equip chronically unemployed individuals to gain employment. It offers job-specific skill development and guaranteed connection to employment if training is completed successfully. It grants certification recognized as valid by employers in the field for which the participant is trained. Counselling is available and trainees are paid at a salary above the minimum wage for work done while training. The program is cost-shared with the federal Department of Regional Economic Expansion and Canada Employment and Immigration Commission to a level of approximately fifty percent. It is regarded as highly successful by employers, trainees and program providers. However, it is of quite small scale. In 1982 only 143 trainees were involved, with 91 graduating (Manitoba, 1982). In 1982/83 it was projected that 166 trainees with 60 graduates would be involved. Furthermore, there may be quite definite limits on the possible expansion of this program given the need to locate training placements which will guarantee to hire graduates upon completion.

The provision of employment preparation and training is the central mission of the Employment Services Division of the provincial Department of Labour and Employment Services. It has the capacity to monitor the labour market and to target training to specific labour market needs. It has access to cost-sharing mechanisms which allow for the payment of real wages during training. This department has the kind of relationship to both private and public sector employers which allows it to develop on-the-job training which leads to guaranteed jobs at successful completion. It is viewed as the legitimate provider of employment training and accreditation granted by it is recognized as valid. However, the Division does not have a specific mandate to serve social assistance recipients, may not have a sufficient number of program spaces with which to do so, and is not part of a referral network which would connect its services with the social assistance system. Indeed, social assistance recipients tend to be at the end of the queue for employment services offered by the Department of Labour and Employment Services.

In conclusion, we have found that the social assistance system in Manitoba has little leverage on assisting recipients to equip themselves for labour market entry. These activities are on the periphery of its mandate and operations. It does not enjoy the legitimacy or relationship with employers to allow it to offer credible training and it is constrained by the terms of Canada Assistance Plan cost-sharing. To continue to serve the employment needs of social assistance recipients in the social assistance system is to continue to segregate them from the best available opportunities. At the same time, insufficient linkages exist with the Department of Labour and Employment Services, a more likely sponsor for the programs and services which are required.

ENFORCED DEPENDENCY

We have already noted that traditional social assistance systems often contain elements which have the usually unintended effect of presenting serious barriers to regaining self-sufficiency. These barriers involve disincentives to saving, earning, and the risk-taking needed to become economically independent. Unfortunately, we have found that the social assistance system in Manitoba contains practices which reinforce dependency. When these are combined with the limited access to employment training already described, the depth of the "poverty trap" which catches recipients becomes clear.

First, the stringent limits placed upon asset exemptions in the means test provide a significant disincentive for economizing. Why should a recipient of provincial social allowances attempt to economize when savings of more than $400 will render him/her ineligible for continuing assistance? Will an employable recipient, allowed no exemption, save at all when disqualification from assistance results in difficulty in re-enrolling even after the assets have been consumed for living expenses? The very low ceiling on permitted saving reinforces dependency. It makes it impossible for recipients to put something by so as more comfortably to take the economic risks of leaving social assistance. Thus, the unintended cost of such rigorous asset testing is often more long-standing dependence. Similarly, prior to becoming eligible for assistance, applicants are often required to liquidate the very assets which could provide a foundation for the re-attainment of self-sufficiency. An unemployed tradesman who has been required to sell his tools will obviously experience difficulty in obtaining employment. He will not be able to purchase such tools through his subsistence level benefits. It is difficult to understand how such practices can be considered cost-effective.

Second, the social assistance system in Manitoba is very intrusive about how benefits are spent by recipients. Budgets are constructed which specify the expenditure category to which each dollar is to go. Not infrequently, recipients are required to provide receipts in order to demonstrate their compliance with these specifications. The provision of assistance in the form of vouchers further constricts the already limited field of decision-making available to recipients. In addition, "special needs" provisions place many regularly, recurring normal expenditures in the class of decisions reserved for staff discretion. This over-management of benefits erodes the independent decision-making abilities of recipients who had sufficient skills at enrollment and offers little opportunity to learn to make good decisions to those that do not. Furthermore, limiting autonomy in this way often fosters psychological dependency and sustains reluctance to take the risks involved in leaving assistance.

Third, we have found that present benefit reduction rates provide serious disincentives to part-time employment. The less benefits are reduced for each dollar of income earned, the greater will be the desire to work. In Manitoba, the municipalities generally have the most, and the provincial Work Incentive Program, the least, punitive benefit reduction rates. However, according to a study completed for us by the Institute of Social and Economic Research at the University of Manitoba even this program provides serious disincentives to earning.

A recipient on the Work Incentive Program is allowed to retain from earned income the greater of $50 per month, 70 cents for each hour worked or 30% of gross earnings. When applied in the most advantageous manner, this rate structure involves benefit reductions of zero percent when earnings are less than $50.00 per month, 100% when earnings are between $50 and $167 per month, and 70% thereafter. However, when the benefit reduction rate of the Work Incentive Program is considered along with Revenue Canada rates, earnings above $167 per month are usually taxed at near 100%. The message is clear, it makes little sense to earn more than $50 per month. No wonder so few involve themselves in the Work Incentive Program.

Fourth, in Manitoba's social assistance system, there are additional barriers to leaving assistance just at the point where earnings cause loss of cash benefits. This generally involves loss of benefits-in-kind and is called the notch effect. For example, when their eligibility ends recipients in the provincial social allowance program lose access to the health card which covers a variety of non-insured health services. Our consultants* have found that this loss is equivalent to a tax of 3% on the earned income of newly independent former recipients. Similarly, recipients must often face loss or reduction of subsidies for various services when they leave social assistance. This is called the stacking effect and it might include dimunition of subsidies for child day care, homemaker services, Legal Aid, subsidized housing and so on. Dr. Hum and Dr. Simpson have provided an example of the implications of this for a single parent with two pre-school chidren who would require day care services in order to work. Day care would be completely subsidized while the parent is in receipt of social assistance. On leaving social assistance, however, once the family head earns $1,074 per month, he or she would be required to pay 25% of the cost of day care with additional earnings. If $1,513 per month was earned, the parent would be required to pay 50% of the cost of day care with additional earnings. When combined with Revenue Canada tax rates, the effective tax rate of each dollar of earnings over $1,513 per month is 80% up to the full cost of day care for this former recipient. For many in receipt of a number of income-tested subsidies, leaving social assistance would be economically irrational in the face of such notching and stacking effects.

We conclude that the social assistance system in Manitoba operates in a manner which hampers the ability of recipients to regain self-sufficiency. Thus, it achieves an outcome in long term dependency which it didn't plan and surely could not wish.

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* Dr. Derek Hum and Dr. Wayne Simpson.

STIGMATIZATION

As described in Chapter III, social assistance recipients are generally held in low regard. We have had ample demonstration of this in the presentations received from many segments of the general public. We have also found that this stigmatization has serious demoralizing effects upon recipients. We have seen that many come to see themselves as unworthy, undeserving and incompetent.

Unfortunately, it is true in Manitoba that social assistance functions in a manner which often aggravates and reinforces stigmatization. Vouchers are used much more extensively than could be justified by the need to control the expenditures of those few recipients who have demonstrated serious irresponsibility. Many municipalities use vouchers for all recipients as a matter of course. Similarly, requirements for verification of declared resources identify recipients as such to financial institutions and employers, and may do so in a manner which communicates an attribution of untrustworthiness. Those investigated may find it difficult to maintain employment or deal with particular institutions in the future. They also occasion great embarrassment. In addition, we have found that many recipients live in fear that they may be accused of wrongdoing for such normal activities as accepting gifts, having male friends visit them, or economizing in order to obtain telephones. Indeed, many jurisdications subtract the value of gifts from benefits, and initiate embarrassing "common-law" investigations on the basis of a neighbour's report of a visiting boyfriend. Obtaining a telephone without permission is often interpreted as a violation of the rule that benefits must be used only for the basic needs for which they were intended.

Many recipients are demoralized by the fact that they must have permission in order to be able to buy sheets for their beds or to attend courses to which they have been accepted. They report feeling belittled and demeaned by the need to make these requests and more so when they are denied. Many are embarrassed when they cannot share food or lodging with visiting family members for fear that they will be deemed to have received income in exchange. However, perhaps the negative effects of stigmatization are most alarming on the children of recipients. We heard the following from a recipient:

> "And I've already asked the welfare if I could have extra money to buy clothing for my children. And she says, 'okay we can allow you a little bit more but you'll have to go to the second hand and make sure that whatever you buy you have to bring me the receipts!' What child, especially a teenager, wants to go on second hand all the time? Because they know when they are dressed up with second hand clothing they don't look like the others who are walking on the street. They feel they are so rejected and ashamed of themselves."

She goes on to explain how her son is often excluded from the social and sports activities of his peers because of his visible "welfare" status.

We conclude that the social assistance system in Manitoba provides support at the price of social and psychological impairment. The magnitude of the costs of these practices in dependency are unknown but, clearly, there is a cost to society in undermining the competence and self-sufficiency of recipients. And, quite apart from the effects of stigmatization on dependency, the processes described violate the right of any individual to be treated with dignity and respect.

To this point, Chapter IV has exactly followed the topical format of Chapter III. Our review of social assistance in Manitoba has revealed issues which require attention but which fall outside of the consideration of traditional social assistance systems. We conclude our critique of social assistance in Manitoba with an appraisal of the information systems currently in use and of the appeal process.

INFORMATION SYSTEM

In many ways the quality of an income security program is dependent upon the quality of information available for day-to-day operations, planning and evaluation. The overall effectiveness of the program requires that such information be provided in a cost-efficient fashion. After reviewing the information currently available to the Social Allowance Program and the means utilized to produce it, the Task Force believes that there is an urgent need for the development of an automated information system. Though there have been past attempts to develop a modern information system, these have not been completed. We are pleased to note that the Income Security Division has already begun to make plans for such system development.

With the exception of automated cheque writing for approximately 65% of benefit expenditures, the program has an entirely manual information system. The many advantages of available technology have not been utilized. In this regard, almost every other province in Canada has developed, or is in the process of developing, a more comprehensive automated information system to support its social assistance program. Some provinces with smaller programs are even at the stage of up-dating and improving previously implemented comprehensively automated information systems. Many American states developed automated information systems in the 1970's. Experience on both sides of the border has demonstrated that automated information systems are a cost efficient means of collecting, storing and retrieving badly needed information for day-to-day case management, ongoing auditing, planning and evaluation. Human service automated information systems have grown at a rate of approximately 50% annually in Canada (Health Computer Information Bureau, 1980, p. 7) and there are indications that a vast majority of American human service agencies have developed such systems (Comprehensive Community Service Incorporated, 1982). The Task Force believes that Manitoba's social allowance program should be taking greater advantage of an idea whose time has so clearly come.

Our observations confirm the conclusions of previous investigations, namely that the current manual information system is cumbersome, ineffective and inefficient, producing significant hidden costs to recipients, program staff and taxpayers. Too many complex forms, many requiring highly similar information, are required to complete a transaction. Recipient files contain a great deal of data but are organized in a fragmented way and are inaccessible in their storage. Alteration of information in the light of changing circumstances is cumbersome and time consuming. In the absence of easily retrievable relevant information, management decisions affecting major policy and expenditure proposals must be based on conjecture. The major hidden, but real, costs are: lower quality service, staff turnover and attendant training costs and a labour intensive system of manual checks and balances. While it is difficult to attach a precise dollar figure to these costs, our consultants* estimate that they are doubtless substantial and could be several times greater than the cost of increased automation.

Several examples can be offered to illustrate the serious inadequacies of the current information system. First, the district offices must submit changes in recipient data to the computerized cheque-writing system at least fifteen to eighteen days prior to the cheque delivery date. Yet, many changes in recipient circumstances occur after this date resulting in over and underpayments, adjustments carried over to the next month and additional costs to both the Department of Community Services & Corrections and the Department of Finance for the redirection and reissue of cheques.

Second, routine budget alterations due to changes in age and family composition, as well as alterations involved in universal rate adjustments, require manual review and recalculation of each affected recipient file. This process increases the possibility of calculation error and overlooked benefit amendments. In the case of universal adjustments, extreme pressure is placed upon staff time with no allowance made for diminished regular service or extra personnel. In contrast, an adequate computerized information system could identify affected cases and make all the appropriate changes in minutes. To this might be added the difficulty of assembling data on the total benefits paid to a given recipient or family, the bottleneck necessitated by the current manual central registry, difficulty in identifying closed files for purging, the narrow scope provided for program auditing, and so on. The inadequacies of the current system are considerable and costly.

Third, program management currently relies on laborious manual surveys to answer important questions about recipients, benefits and costs. This severely limits the amount and scope of information which can be gathered. Accordingly, policy decisions are insufficiently informed by available information, a truly astonishing situation given the amounts of money that are expended by the program. Even this review has been constrained from making many requests for this type of information because of the staff time required to retrieve and process it.

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* Dr. David Scuse, Department of Computer Sciences, Dr. Bruce Tefft, Department of Psychology and Dr. Barry Trute, School of Social Work, University of Manitoba.

In recognition of this, the department has made several attempts to develop a more adequately automated information system in the Social Allowance Program. Unfortunately, these have been sporadic and inconsistent. This ten year history has left a residue of widespread staff cynicism which must be taken into account in the current effort. There must now be a clear demonstration of commitment from the highest levels of departmental management and provision of opportunities for staff participation in recruiting support. The program cannot afford another aborted effort.

APPEALS

The Canada Assistance Plan requires that each province have an appeal system which would allow any person aggrieved by a decision about eligibility or the amount of assistance to request a review of that decision. In Manitoba, these appeals are heard by the Social Services Advisory Committee, a fifteen member body appointed by, and at the pleasure of, the Lieutenant Governor in Council. Three members of the Committee (including the Chairman or Vice-Chairman) constitute a quorum, and in practice appeals are usually heard by such a quorum. The Committee must be made up of non-governmental employees; it hears appeals related to both the provincial and municipal tiers. Upon the granting of leave, decisions of the Social Services Advisory Committee are appealable to the Court of Appeal if they involve matters of jurisdiction or law. The findings of the Committee are final on matters of fact.

We have found that the main strength of Manitoba's appeal system is its ready accessibility. Appeals are heard within fifteen calendar days of the receipt of the appropriate forms by the Social Services Advisory Committee. The Committee can and does sit anywhere in the province in order to facilitate attendance of the parties involved.

However, we have found several barriers to the full utilization of the right of appeal. For example, social assistance programs often do not supply information about the reasons for their decisions to allow a recipient to understand the case which would have to be answered in a potential appeal. Sometimes, despite the legal requirement to do so, recipients are not informed of their right of appeal. Furthermore, recipients who are appealing denials or terminations of assistance often do not receive any benefits pending the completion of the process. Although sometimes they are provided with emergency assistance by the tier which is not the respondent in the appeal, this occurs on a discretionary and somewhat haphazard basis. Finally, there are no significant outreach advocacy efforts to help potential appellants to decide whether or not to appeal. Advocacy is especially desirable given the demoralized status of many recipients and their powerlessness compared to the social assistance system.

We have also heard from the legal profession and advocacy organizations that frequently the Social Services Advisory Committee appears not to use procedures which reflect fairness and impartiality. No mechanism exists for an appellant to learn the details of the case to be made against him or her before the hearing. There is no provision for the appellant to subpoena witnesses in order to challenge the evidence presented by the respondent. Submissions to us indicate that the appellant sometimes does not have access to verbal or written information presented to the Committee by the respondent social assistance officials. Furthermore, the Social Services Advisory Committee does not adhere to the usual rules of evidence, thus permitting sometimes irrelevant, unreliable, or hearsay evidence to be used. Finally, we have heard allegations that, regardless of the content, the Committee prefers to believe evidence from social assistance providers to that of an appellant.

We have found that further appeal of the decisions of the Social Services Advisory Committee is too limited. As indicated previously, the findings of the Committee on matters of fact are final, and further appeal on any grounds is subject to permission of the court. Furthermore, appeal of the Committee's findings proceed directly to the highest court in the province. Finally, the Social Services Advisory Committee does not always transmit reasons for its findings, thus rendering difficult decisions about proceeding to further appeal.

In conclusion, although we have found that the strength of Manitoba's appeal system lies in its accessibility, more systematic protection for the rights of the parties involved must be built into the process without sacrificing this strength.

SUMMARY AND CONCLUSIONS

Our study of the social assistance system in Manitoba leads us to the conclusion that it closely conforms to the traditional approach. It is openly acknowledged to be a strictly last resort defence against complete destitution. Eligibility is based upon stringent means testing. Recipients are categorized on the basis of their imputed employability. Those assessed as employable receive less generous treatment. Those assessed as unemployable are further subdivided into various categories based upon personal characteristics. Benefit levels provide for only the most basic of necessities, and assistance providers have a wide range of discretion in making decisions related to both eligibility and benefits. Discretion leads to unjustified variation in treatment. The social assistance system in Manitoba requires that employable recipients seek work but does not generate a sufficient supply of appropriate services to assist them in entering the labour market. Similarly, disincentives to working, saving and risk-taking are inherent in the system's treatment of assets, earnings and expenditure decisions. Finally, the system reinforces the demoralization and stigmatization of recipients through various of its procedures.

We have found that the two tiered social assistance structure is based upon a false premise. The rationale that municipalities provide for the short term income needs of employables and the province for the long term needs of unemployables simply does not gibe with the facts. This jurisdictional division of responsibility has led to great disparities in eligibility and benefits. This variability has been exacerbated by the unreliable exercise of discretion in a system which allows much scope for its use.

We have found that the categorical division of recipients in the provincial Social Allowance Program is not required for the generation of services. The categories in use at any given time are based upon subjective value judgements rather than objective criteria of need. Furthermore, this categorization inevitably leads to a great deal of unnecessary administrative complexity.

We find that the needs testing procedures in use include many inequitable, inconsistent and unfair elements. Overly zealous verification of recipient self reports of resources leads to unnecessary stigmatization and embarrassment. But, most importantly, stringent asset exemptions and benefit reduction rates for earned income inevitably stifles initiative and reinforces long-term dependence.

The Social Allowance Program's information system is cumbersome, ineffective and far too labour intensive. Almost entirely manual, it hardly makes use of available and proven computer technology.

The evidence gathered has led us to conclude that the social assistance system in Manitoba contains many features which cause it to fail to help recipients regain self-sufficiency. Significant improvement will require alteration of these features. In the following chapters we will explore the nature of these necessary changes.

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CHAPTER V

ADDRESSING THE TERMS OF REFERENCE

To this point, the Report has presented the major critique of traditional social assistance generally and in this province. While we do not wish to ignore the detailed specifications of the Terms of Reference, we regard them only as a partial statement of the areas of concern which ought to be addressed. This Chapter presents the major issues of the Terms of Reference one by one, previewing what we will say in Chapter VII and providing our views on the particular questions not otherwise to be specifically covered. Ultimately, in the two Chapters which follow this one, we shall pay more attention to the overall shape and design of the social assistance system because it is only by doing so that the issues identified in Chapter III and IV can be addressed more fully.

THE TWO TIER STRUCTURE

1. The Task Force will take the position that the rates of social assistance should be standardized for all municipalities and that this is the least to be done to deal with inconsistencies in the levels of social assistance so widely noted. To address inconsistencies in the availability of assistance and the terms under which it is offered, a one tier noncategorical structure is recommended. A voluntary approach to the implementation of the one tier structure is advised but this requires that incentives be presented to municipalities for devolving responsibility to the province.

2. It is only in Manitoba that the granting of municipal assistance may still be generally considered a debt owing to the municipality; on that account, liens may be placed on real property, assignments may be required and wages may be garnisheed. There are two major problems with this provision. The first, the practical objection, is that whether or not to take such action is a discretionary decision and is fraught with all the inconsistencies and instances of unfair treatment that attend all such areas of major discretion. We have heard examples of many such inequities including one cited in the

1982 Annual Report of the Ombudsman of Manitoba as beyond his legislative mandate to address. There are wide variations in the placing of liens and in their enforcement; there appears to be no general rule to explain the unreliability of their use.

The second objection is a question of fundamental principal. Social assistance is designed to be assistance of last resort, made available to anyone who meets the criteria set forth in the needs test. To this extent social assistance is a right. To consider it a loan for some and a right for others is inequitable. Once eligibility has been established, social assistance ought to be made available to all on the same basis.

CATEGORICAL ELIGIBILITY

The general position of the Task Force is to dispense with categorical eligibility. A one tier structure would make it unnecessary for the purpose of allocating recipients to either municipal or provincial responsibility. The fact that social service delivery is separated from the administration of social assistance benefits makes categorical assistance a needless carryover from the era when the service systems were merged. The general position of the Task Force is that eligibility for social assistance ought to be established only by the application of the needs test of the budget deficit type now in use. The issues addressed below may be considered as intermediate steps to the achievement of a fully noncategorical system.

1. The common practice is for sole support mothers, but not fathers, to be deemed as unemployable while their children are still minors. The Task Force is unequivocally opposed to differences in the treatment of sole support parents on the basis only of gender; indeed, we suspect that such differentiation may run afoul of the Charter of Rights. Our position is that identical provisions have to be made for single parents of either gender.

This having been said, we find ourselves ambivalent about the current practice which establishes the right to full support for the entire duration of the child's minority. On the one hand, we believe that the conscientious decision to devote oneself to full time parenting is both permissible and, from the value position of many, laudable. Parenting is a legitimate occupation and should be recognized as such. On the other hand, we note that more than half of the mothers of minor children are in the labour force full time, and half again as many have part time labour force attachment. Clearly, demographic trends have affected the ethic which so unequivocally assumed that mothers should stay home with their children and not be required to work. Moreover, social assistance case files abound with instances of the very practical problems which arise when the mother's allowance recipient loses her eligibility for provincial assistance on the attainment of majority by her youngest child. Now defined as employable, the case is transferred to the municipality and work is then expected. However, the realism of the expectation may be highly suspect should the recipient never have had a job, or, if so, very long ago. To all intents and purposes, the recipient is middle-aged, unskilled in labour market terms, and only marginally employable if at all.

The Task Force notes that some provinces have either threatened to curtail, or indeed have actually limited, the right of the sole support mother to remain deemed as unemployable. There are a number of ways to do so: shortening the period of deemed unemployability to the pre-school years only, having differential rate structures which penalize recipients who stay home, requiring active demonstration of job search as a condition of continued eligibility, and so on. We have observed that any of these approaches can be legitimately defined by recipients as discriminating against the choice to be an active parent and as devaluing full time parenting. For these reasons, we would not recommend their use in Manitoba.

As we will note in Chapter VII, there are changes that can be made in the benefit reduction rates which would make the work incentive program more attractive to sole support recipients who wish to work part time. We will also call attention to the need for recipients to have better access to a wide variety of upgrading, training and educational opportunities. The Task Force believes that the combination of incentives and opportunities will permit sole support parents to decide for themselves which course of action is in their best interests. We recommend this approach over any which dictates employment as more socially useful than parenting.

2. The variety of handicaps defined by the terms "physically" and "mentally" disabled become irrelevant in a social assistance system in which eligibility is noncategorical and in which all social assistance benefits are administered by the provincial tier. The problems of jurisdictional allocation and of establishing degrees

of employability based on degrees of impairment are thereby neatly avoided. So too are the problems frequently noted when medical judgements of employability are inconsistent with social, economic or labour market realities.

The type and degree of impairment is of great concern for the provision of necessary services other than financial. We expect these services to come from other than social assistance auspices and that whatever categories and assessment procedures as are appropriate for them will be developed and refined through use. As noted in Chapter VII, where inordinately high costs are associated with particular handicapping conditions, it is better to have these met through the provision of specifically targetted benefits-in-kind on an income-related subsidy system.

The Task Force supports trends toward community-based programs and recommends that even more programmatic effort and resources be devoted to the goal of the fullest possible integration of disabled persons into all aspects of community life. As noted elsewhere, resources now made available are too narrowly circumscribed by the requirements that they be directly relevant to vocational, to the exclusion of other, needs. In relation to employment, however, the Task Force again notes that changes in the structure of benefit reduction rates and widening eligibility for participation in the work incentive program will have profound effects in supporting the intention of maximum feasible integration of disabled persons into their communities.

3. The interface of social assistance programs and those designed to assist students requiring financial assistance deserves short, but somewhat critical, comment. Generally, the social assistance system places too many obstacles in front of those who seek post-secondary training or education. Social assistance should play less of a gate-keeping function for those who wish to upgrade their education or seek a mainstream academic credential. The counselling component should come from the free-standing information and referral service structure to be discussed in Chapter VII or directly from appropriate personnel in the educational institutions. The regular needs of recipients who become students should be provided through social assistance as is the case for all other recipients. The specifically educational needs of recipients should be met through the combination of loan, bursary and Student Aid programs as for all other student applicants. However, the social assistance system should exempt the benefits associated with the cost of education or training from the calculation of resources in

assessing continuing eligibility. To summarize, the major recommendation is more clearly to separate the provision of social assistance for daily living from the provision of the means by which to meet the extra costs of education and upgrading. The rules of the two systems should be harmonized so that they do not contradict each other, and, thereafter, each system should fulfill its own mandate.

4. The social assistance system provides assistance to children in three different ways. One is through subsections 5(1)(d) and 5(1)(e) of The Social Allowances Act which make eligible for assistance children who have become involved under appropriate sections of The Child Welfare Act and who are, on that account, receiving substitute care either temporarily or permanently. Thus, the living expenses of children in care and treatment costs, if any, are provided by the social assistance system although it is the child welfare system which administers the assistance and provides the services. The second, a regular feature of the social assistance system, adjusts the benefit levels of recipient family units to take account of the needs of dependent children. There is no child welfare involvement here. The third provision, subsection 5(1)(f) of The Social Allowances Act, provides a child with eligibility in his or her own right if

> "the parents are dead or in the opinion of the director are unable to contribute to his maintenance and who is wholly dependent on another person for his basic necessities"

There have been a number of practical difficulties with the administration of this provision because of the different approaches taken by regional directors as to whether or not the providers of care must have been approved by the child welfare authority and/or become legal guardians. The area remains ambigunus on that account.

A number of practical problems have been identified in relation to the interaction of the child welfare and social assistance systems. One problem derives from the differences in level of support provided by each system when an older minor, supported at a higher level by child welfare because of the cost of services as well as of subsistence, attains the age of majority. At that point, he or she abruptly loses entitlement to services not because the treatment plan has been fulfilled but because, with majority status, the legislative mandate changes from child welfare to social assistance. The Task Force acknowledges that this is a problem and recommends that officials of the two systems together plan procedures and/or amendments to the Act which would militate against the inappropriately sudden withdrawal of necessary services.

The ambiguity noted above with respect to subsection 5(1)(f) is unfortunate to the extent that it may occasion the unnecessary involvement of the child welfare system as a means of establishing eligibility. Particularly, but not only, in native culture, familial and community-based care givers come forth informally to provide care to a child whose parents are unable to. This raises two separate issues. The first is to distinguish between the various types of child welfare intervention that such a case might require. Often the circumstances of providing care do not necessitate that the care givers seek to become the legal guardians of the child. Where legal guardianship is appropriate, it should be for reasons germane to the child welfare, not the social assistance, system. Second, if the care givers are not the legal guardians of the child, subsection 5(1)(f) clearly establishes that it is the child whose eligibility is to be tested, thus making it inappropriate to assess the financial resources of the substitute parents. The Task Force recommends a clearer separation of the issues involved in subsection 5(1)(f) so to curtail the discretion of the director to involve child welfare as a step to avoid establishing the child's eligibility in his or her own right.

5. With regard to the granting of assistance to Treaty Indians, the Task Force notes that the major jurisdictional issues are responsibility for the delivery of assistance, and the billing arrangements where assistance is provided by other than the responsible level of government. Difficulties between the federal and provincial governments often mean that applicants for assistance are sent back and forth between them before finally becoming eligible. This has been a major problem. The simplest arrangement for granting assistance is to make it the responsibility of the federal Department of Indian and Northern Affairs for Treaty Indians on Reserves (although this responsibility may be devolved to Band Councils) and the responsibility of the provincial social assistance program for Treaty Indians who have left the Reserve. The two levels of government can negotiate between them the billing arrangements to be put into effect and about whether or not these are to be affected by the duration of residency off Reserve. At the same time, negotiations can take place which would explore whether or not Band Councils should administer social assistance on behalf of the province to non-Treaty Indians living in Reserve Communities. These negotiations should include representatives of both levels of government as well as of the Treaty and non-Treaty groups.

6. The eligibility of sponsored immigrants for social assistance should be permitted so as to ensure that basic necessities will be provided in situations where, for

whatever reason, the sponsor has not discharged the undertaking to provide support. Rather than withhold assistance, provincial social assistance programs should be able to seek recovery from delinquent sponsors for assistance granted. It should do so in a way which does not place the onus on the recipient to divulge financial information about the sponsor or to take action which is more properly to be taken by the program.

7. Eligibility for assistance is often terminated because the recipient, usually a woman on the mother's allowance caseload, is alleged to be living in a common-law marriage. These allegations are often very controversial and are made in a context of intrusive investigation, hearsay, accusations and denials. Much unpleasantness attends this aspect of eligibility testing. For this reason, there are marked variations between workers, offices, and jurisdictions in the vigour with which alleged changes in marital status are pursued.

In a one tier, noncategorical system, the issue of common-law marriage would not arise because eligibility would depend only on the availability of resources, not family composition. However, even in the categorical two tier system, in the absence of a self-declaration that a common-law marriage exists, there is little point in becoming involved in the very difficult process of attempting to find irrefutable evidence to support the allegation. In addition to the difficulty of the task, the concern is misplaced because the essential issue is only whether or not a new economic situation exists for the recipient. If someone becomes a financial resource to the recipient by the virtue of forming a new economic unit, those resources should be taken into account. The Task Force stresses that it is important to define the situation as economic, not marital.

INCOME, RESOURCES AND ASSETS

1. Generally, the place in the needs test of definitions of income, resources and assets has already been noted. The budget deficit method required by the Canada Assistance Plan makes it incumbent on each participating province both to define these terms and to set forth the manner by which their levels will be determined in the administration of the test. In every case where there exists a C.A.P. guideline for the amount of income, resources or assets to be exempted in establishing eligibility, the Manitoba level is lower. We will recommend in Chapter VII that the levels be raised to

those permitted by C.A.P. because long term dependency is less likely to be the result.

2. We have also noted that quite serious difficulties attend the system of deeming income to be present when it is not. While we appreciate that these procedures are motivated by the need to adhere to the last resort nature of the program, it is still necessary to define more closely the situations in which deeming is appropriate and does not illegitimately deny assistance to a person who literally has not the means with which to meet his or her needs.

3. We will in Chapter VII recommend that social assistance recipients be as eligible for federal and provincial income transfer programs as any others of the poor and to be subject to benefit reduction of this income only to the extent that the income tax system would tax it. As regards trust funds, usually in effect for dependent minors, we recommend that the principal and/or interest be included in available income only where such is a clearly stated condition of the trust, or if, at the discretion of the trustee, the trustee decides that it is consistent with his or her responsibility to make such income available.

4. In regard to the Attorney-General's Maintenance Enforcement System, the Task Force believes the issue to be wider than the mere enforcement of already established maintenance orders. The pursuit of maintenance is a decision to be made by the estranged spouse and is influenced by a number of factors such as physical safety, emotional well being, the emotional and physical security of children, the likelihood of compliance and the expected level of support. Often, a number of these factors recommends a decision not to pursue maintenance yet the social assistance system, as a condition of eligibility, tends too uniformly to include the potential availability of maintenance as a resource to be sought. Whether or not the social assistance system ought to be a party to the enforcement of maintenance in cases where it is to be varied, suspended, or cancelled is a corollary issue. The interests of the social assistance system in securing as much recovery as possible may collide with the health and safety needs of the estranged spouse and/or dependent children. Generally, the Task Force is of the view that where there is maintenance, it should be counted as an available resource. Where it has been ordered but not paid, if recovery is successfully made on the application of the estranged spouse to the Attorney-General's Maintenance Enforcement System, the proceeds should be counted as available income. Where the

applicant spouse is unwilling to make application for maintenance, and there are not reasons to believe that she or the children will come to physical harm or undue emotional distress if application were to be made, the social assistance system has the present right to make application on her behalf. The Task Force supports this policy and counsels only that careful consideration be given to the recipient's concerns about the consequences of the action.

5. Where social assistance has been paid as a result of false declaration or fraudulent claim, there is no question that the social assistance system should have the right to recover the amount provided as well as to pursue whatever additional recourse as is provided for in law. However, the Task Force has been made aware of recipients who unknowingly received, and spent, benefits to which they were not entitled as a result of administrative errors of the social assistance system. The complicated budget determination method makes it easy for the recipient not to be aware of the mistake. The attempt by the system to recapture these overpayments through reducing the benefits on a monthly basis thereafter have been frequently reported as causing great hardship for recipients. That this can be the case, even though the amounts deducted were nominal, is clearly possible when benefit levels permit only the meeting of basic need and nothing more. The Task Force recommends that the regulation be rescinded which permits the recovery of assistance granted due to administrative error unless it can be shown that the magnitude of the difference was such that the recipient would have to have known that an error had been made.

AUTOMATED DATA BASE

The Task Force will recommend that the social assistance system pursue the development and implementation of an automated data base to monitor benefits and costs and to assist in every aspect of program operation. We will recommend that a modular approach be utilized, beginning with the payments module and adding successively socio-demographic and service episode modules. The importance of senior management support of a plan of action which requires extensive staff participation will be stressed. As well, it is important to provide the reinforcement of early demonstration to field staff of the utility of the new system. Finally, the fullest possible use of the federal information systems contribution program is recommended to provide the bulk of the funding necessary for design and development of the system.

In this Chapter, the specific items of the Terms of Reference have been addressed briefly. We reiterate that however the issues noted are to be resolved, it is better to place them in the contextual design outlined in Chapter VII. It is Chapters VI and VII that present the major areas of Task Force thinking.

CHAPTER VI

TOWARDS A NEW APPROACH: GUIDING PRINCIPLES

To this point, we have outlined the problems typically associated with the traditional approach to social assistance. We have noted that Manitoba is not exempt from having to face these difficulties. The general outcome of these programs is that they engender dissatisfaction. These feelings of negativism are generally pervasive, engulfing those being assisted, the staff involved in the delivery of service, the political system from which the assistance gets its mandate and direction and the general public which, in the last analysis, pays for it.

The Task Force takes the view that it is realistic to expect that we can have a program of social assistance which will not be a lightning rod for such continued and widespread criticism and which will instead seek the very goals of independence, self-reliance, self-respect and dignity which were the foundation of the traditional approach. The approach we take is based upon a number of basic principles.

The principles are: normalization, adequacy, simplification, equity, promotion of independence, comprehensiveness and program linkage. We will discuss each of them briefly in this Chapter. In Chapter VII we will develop a more complete picture for what we have in mind for the Manitoba social assistance program and we will point out the ways in which our recommendations flow from our acceptance of these guiding principles.

NORMALIZATION

There is an approach to human services that has come to be called normalization (Wolfensberger, 1980 a; 1980 b; Nirje, 1980). Emerging in the late 1960's and early 1970's, it identifies the pronounced and demonstrable tendency for the very process of helping to lead to outcomes quite opposite to those being sought. The major examples were found in areas associated with large-scale institutions - mental health, mental retardation, criminal justice - but it is equally a problem with those who receive social assistance. The major conclusion has been that if one wishes people to behave like other members of the population, they should be treated as much like the general population as is possible under the circumstances. Normalization theory states that the major risk of doing otherwise is stigmatization and chronic dependency.

As a form of last resort intervention, social assistance systems have rules which require employable recipients to attempt to move quickly and permanently to full independence. Paradoxically, the social assistance system adopts conceptual approaches and administrative practices which often make it more difficult to leave than to remain on assistance. Much of the problem has to do with the significant ways in which characteristics of social assistance income differ from other forms of income.

Other forms of income (what we can call, "normal" income) are silent about how those who receive it are to spend it. Most people are required to exercise their own best judgement about how they allocate their wages (or investment income, pensions, family allowances, tax credits, etc.) over their necessary and discretionary expenditures. The normal expectation is that people are to be responsible for allocating available income over their own list of needs and wants.

This is an expectation that people normally meet. Normally, people have to face the consequences of having made bad decisions and are expected to become less prone to repeat them. Normally, people reap the benefits of good decisions, are thereby reinforced by making them, and in this way learn the benefits of prudence and foresight.

Normalization as applied to social assistance seeks the same ends. Income would be available, undifferentiated as to expenditure items to which it should be targetted. It would be delivered without administrative intrusiveness about those expenditures. It would be defined both by the system and the recipients as indistinguishable from other forms of income inasmuch that the amount must be stretched to cover the needs of the family unit receiving it. By requiring the recipient unit to allocate the income over its needs and wants in its own way and according to its own calculus, the recipients would take responsibility for themselves in precisely the same way as those receiving income from other sources.

Certain consequences follow. In a completely normalized system with adequate benefit levels, no extra allocations would be made for special circumstances.

No recapture of unspent money would be made in the event that savings are made by the family unit by, for example, making one's own clothes or having a garden.

The principal objective of normalization is to reduce undue dependency that flows from the design and operation of the system itself.

ADEQUACY

The principle of adequacy is basic to the viability of any income security system, especially one which is designed to help people meet the cost of basic necessities. Society must ensure that recipients have the means with which they can live decently, nor should society place those it supports in situations of grave risk to health and safety. Assistance at levels too low to meet the normal costs of living condemns those on assistance to lives of misery and degradation.

The Poor Law tradition states that unless benefits are set at very low levels, the period of dependency will be prolonged because generous entitlements reduce the motivation to be self-supporting. There is some evidence for this view in that, holding all other factors constant, a moderate inverse relationship has been found between hours of part-time work undertaken and the level of benefits. However, when rates are exceptionally low, people appear unable to sustain work effort because of poor health, low energy, inadequate substitute child care and insufficient clothing and supplies (Coll, 1965; Romanyshyn, 1971; Ozawa, 1978). By far the strongest factors which explain variations in working are not at all associated with social assistance rates but with characteristics of employment. Most of the variation in the amount one works is accounted for by the availability of reasonable employment at adequate wages; more people appear to be drawn off social assistance by labour market "pull" than driven off by low benefit "push" (Schiller, 1973; Nichols, 1979; Butler, 1980; Chadwin, et al, 1981).

The issue of adequacy is especially integral to the principles of normalization and simplification. To say, as normalization theory does, that people in receipt of social assistance should receive this income with full rights of disposal over that income, cannot possibly be workable if the level of income provided is systematically incapable of meeting normal need. Such is the case in systems which relegate important items of regular, predictable and ordinary expenditure to the category of "special needs". Entitlement levels have to be adequate in order to make it possible for people to take full responsibility for allocating their income over their various needs. As we will argue in relation to simplification, which follows, reducing the administrative burden of calculating item-by-item entitlement and of monitoring expenditures may permit the trade-off that, on average, the amount of entitlement can be made sufficient.

How to establish an adequate level of assistance is not an easy task but there are a number of approaches to be assessed elsewhere in this Report. At this point, we postulate only that adequacy is a fundamental criterion which for reasons of principle and practicality must be assured.

SIMPLIFICATION

The principle of simplification is based upon the need to change an inordinately complex system into one that is more easily administered, less prone to error and much more easily understood by all those who are involved in it. It seeks to reduce the number of contingent rules which must be applied. It seeks to reduce, and substantially to eliminate, the exercise of discretion. It is aimed at achieving the goals of clarity, precision and uniformity.

The reasons for espousing this principle are fairly straightforward. Separate but quite significant benefits are believed to flow both to the income security system and to recipients of social assistance.

Social assistance systems are extraordinarily complicated and, on that account alone, difficult to administer. There are a very large number of rules and there are second order rules about how the first set are to be applied. Some of the major benefits of simplification are reduced administrative cost, reduced overpayments, greater overall clarity and greater consistency across the system (U.S. Social Security Administration, cited in Piliavin, 1977; Bendick, et al, 1979; Bendick, 1980 b; Baker, 1979; Piliavin, et al, 1979). Another advantage of a simpler system is the ease with which an automated information and cheque distribution system can be put into effect.

Other benefits as well have been shown to accrue to simpler systems. For example, a simple system reduces the necessity of frequent face-to-face contact between employees of the income security system and the recipient caseload for the sole purpose of determining amount of entitlement or reporting changes of circumstance. With fewer rules, recipient opportunities to exploit the benefit system or to manipulate the staff are drastically reduced. The areas within which fraudulent claims can be made become fewer and fraud can therefore be more easily detected (Bendick, 1980 a). As the system becomes simpler it becomes easier to audit.

Simplification has been shown to offer advantages for recipients as well. First and foremost, simplification should be understood as a corollary of normalization. To receive income as simply income rather than have it affected by inordinately complex rules about entitlements and expenditures is the normal mode. Simplification also reduces the likelihood that the eligible population will misunderstand the social assistance system. It maximizes the opportunities for recipients to make decisions for themselves which they perceive to be in their own best interests and to take responsibility for the outcomes of these decisions. Less administrative intrusiveness is matched by the requirement of greater recipient responsibility. Further, a simplified system is perceived as more equitable as there would be less variation in the benefit levels between recipients, except as necessitated by, for example, differences in family size and composition.

Attempts by social assistance systems to deal with special circumstances have been found to be associated with complexity. It has also been demonstrated that attempts to cover every possible exigency through, for instance, discretion are usually unsuccessful (Greaves, 1983).

EQUITY

The principle of equity deals with fairness and justice. It requires that people in like circumstances are dealt with in a like manner, that people are subject to known and reasonable rules and regulations and that their right to basic respect is recognized. The principle acknowledges that a society which offers income security has reciprocal rights as well. Society has the right to expect that people will make a reasonable effort to be self-supporting, that its laws and administrative regulations will be adhered to and that people will understand that it does not have an unlimited capacity to offer assistance. A social assistance system, if it is to be of benefit to those who require it and respected by the wider community from which it is proferred, must meet the criterion of equity.

Low income is a problem for all those who experience it. Present systems of social assistance offer benefits to recipients which are not available to their non-enrolled, but equally low income, neighbours. The principle of equity, if applied, would result either in the extension of the benefits to all those at low income, or its withdrawal from social assistance enrollees. Hence, as an example of the type of change that would provide horizontal equity, the universal Pharmacare program would cover the prescription needs of social assistance enrollees just as it does others. If such a program is insufficient to cover the needs of poor people adequately, correction would be through changes to the program itself, not through the introduction of a special benefit to social assistance recipients.

A concern about equity raises two separate issues in relation to area of residence. The first is the very substantial variation in application procedures, rules of eligibility and rates of entitlement between the municipalities administering short term assistance. The second has to do with the much greater costs of living associated with residency in remote and isolated communities, recognized to the extent that assistance rates for recipients living north of the fifty-third parallel do take account of the higher costs of food, clothing and other necessary items but not for equally remote and isolated communities such as those on the eastern shore of Lake Winnipeg south of the fifty-third parallel. Systematic variations in the cost of living due to geography should be recognized so that recipients can enjoy the same standard of consumption wherever their residence.

Simplification of benefits would make any social assistance system much less discretionary in character. This is likely to be more equitable because of the frequently observed and well documented finding that, more often than not, discretionary systems result in widely disparate treatment of people in like circumstances (Canadian Civil Liberties Education Trust, undated).

To sum up, equity is a principle which attempts to ensure that both recipients and society receive fair treatment, a precondition for recipients and the social assistance system to deal with each other honestly and non-exploitatively.

PROMOTION OF INDEPENDENCE

Taking into account the circumstances of the recipient, the most general expression of proper obligation of the recipient of social assistance is to be (or become) as self-sufficient as possible and to meet the same general standards of community living as anyone else. These requirements are, of course, modified by any particular disabilities or incapacities that may be relevant but even with these adaptations, the highest degree of possible independence should be a goal held both by recipients and the social assistance system.

It is important that the social assistance system not place impediments to the achievement of this goal. A system which prizes self-sufficiency cannot systematically penalize its every expression. What we know of human behaviour is that independence and efforts to improve one's situation are reinforced by reward and extinguished by inappropriately negative response. Some examples follow of how the principle might be applied. Support for part-time employment could be matched by a design of benefit reduction and protection of eligibility which is encouraging rather than hindering. Education and training are more likely to be sought if self-motivated and not subject to special bureaucratic and/or professional permission. Economizing on required spending is less likely if the unspent amounts are immediately recaptured. Teenage dependents of recipients learn to value efforts to be independent if their part-time earnings are not deducted from entitlement and if there is a clear benefit experienced from extra effort. These few examples make the point. A social assistance system which is rife with rules and procedures which negate the stated objective of independence will not attain that objective (Economic Council of Canada, 1968, cited in Harp and Hoffley, 1971).

Independence may emerge in stages rather than all at once. Unfortunately, social assistance systems tend to take too literal and narrow a view of self-sufficiency. Mostly, only those aspects which are vocational in character are supported. Education and training are permitted only if they relate directly to employment. Special services are provided most freely when they address characteristics of recipients which interfere with long-term and regular employment. The evidence suggests that this view of development has too short a time frame. Employment may be an ultimate end after a whole series of steps have been taken, some with no apparent direct relationship to the labour market (Goodwin, 1972; Nichols, 1979). Life competency, expressed in many ways other than employment, may still reduce the period of externally supported dependency. Any means of increasing self-esteem can lead to greater efforts to plan for the future and to more risk-taking (Nadler et al, 1976; Nadler et al, 1979). These can reduce dependency. Generally the promotion of independence requires that society adopt a well conceived "human capital approach". Social assistance has a part to play within it.

To conclude, to foster independence requires removing the barriers and restrictions from the income assistance system which, in the wrongly conceived attempt to save small amounts of money, may compel the taxpayers instead to pay the much greater costs of continued and more total dependency than is necessary.

COMPREHENSIVENESS

Comprehensiveness requires that social assistance income is seen in the more general context of governmental programs designed to help those who are at low income. While as a last resort program social assistance tends to be reserved for those having no other source of major income, it is set at levels that are determined by some idea of the cost of minimal subsistance.

It is quite usual for the various levels of government to redistribute income to different strata of the population and for quite different purposes. Not all of these transfers are directed at poor people and some of these may be very large in the magnitude of the money spent and/or the tax revenue foregone. But some of the income transfers are either particularly aimed at those on low income or, even if universal, are more important to the poor.

Social assistance recipients are poor people. A comprehensive approach to social assistance would not differentiate between poor people who have their income via social assistance and those who have it from other sources. Thus, recipients would be included in the various programs of income supplementation, rental subsidies, benchmarked service costs, tax exemptions and tax credits which have the poor as their major target population.

Finally, comprehensiveness is a principle to be applied within the social assistance program as well as between the social assistance and other income security programs. At issue is the identification of those people who now fall between the cracks, whose eligibility is not clearly assured. Jurisdictional divisions in a two tier system, or between the federal and provincial governments in the case of, for example, Treaty Indians, create situations in which either assistance is denied or the recipient has to take inordinately difficult steps in order to become eligible. Categorical rules also reduce comprehensiveness because people are found in every categorical system who do not meet clearly the rules governing the category but who have needs that still must be met. A more comprehensive system would seek to identify the areas of omission and provide a remedy.

PROGRAM LINKAGE

The principle of normalization is consistent with the separation of social assistance from services. This does not mean that there is no need for a complete spectrum of high quality and well conceived social, educational, rehabilitative and other developmental services. Indeed, the integrity of a specialized social assistance program depends directly on the broad availability of resources and facilities by which people can develop their potential, work to the full limit of their capacity, contribute to the community as parents, neighbours, and organizational members, generally living with self-respect and the esteem of their fellows.

While it is not necessarily the responsibility of the social assistance system to develop and deliver these programs and services, it must nevertheless take an active role in advocating their formation and availability. The less capacity the community possesses to provide education, training, facilitation of problem-solving, skill development and satisfactory employment, the more pressure there will be on the income security system. The more gaps there are in community capabilities to support self-sufficiency, the more we can expect periods of longer enrollment on assistance. The more difficult the access to programs and services, the more likely it will be that there will develop a relatively permanently enrolled cadre of the most vulnerable members of society (Harrison, 1972; Nichols, 1979; Chadwin et al, 1981).

Program linkage requires that programs and services should be lodged under the auspices most appropriate to their development and delivery. There should be an overview of how they join at the edges and clearly identified continuous pathways to, through, and from them. Systems of information dissemination and referral are required to connect people to the programs and services of their choice and determination. Program linkage requires that mechanisms be developed to prevent jurisdictional boundaries from being impassible to those who require essential services or who wish to use available facilities and opportunities for self-enhancement. It also requires that efforts are made to harmonize and reconcile eligibility rules and conditions within and between programs to permit the full and effective use of much of what is already available.

Successful program linkage has always been difficult to achieve. However, it is important to note that much of what is called dependency is induced not only by characteristics of persons on assistance but also on the missed connections and insufficient linkage in the ways we respond to their problems. Active promotion of opportunities for self-sufficiency in a comprehensive network of properly linked facilities, programs and opportunities is an investment from which there is a return both in dollars and in the higher standard of community life which will then be possible.

These then are the building blocks upon which we make our recommendations. We suggest that each has merit in and of itself. Most importantly, we believe that they fit together and need to be regarded as a package. In this respect, we attempt to take an approach which is integrated and internally consistent. Our more detailed exposition follows in the next Chapter.

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CHAPTER VII

A NEW APPROACH TO SOCIAL ASSISTANCE

We shall begin with some rather simple declarations. The social allowance system should be administered as an automated, simplified benefit system to those who, for whatever reason, do not have the capacity to meet the cost of basic necessities. It should be largely non-discretionary in character. It should be noncategorical in its determination of eligibility. It should be adequate in amount, keeping in mind the urgent requirement that it must permit the meeting of normal need in a normal way. It should encourage people to economize and to plan expenditures in that it would hold them responsible for the consequences of their money management. It should include a benefit reduction schedule which would permit people to have significant increases in income if they work and a system of enrollment which permits easy passage to and from the program for those who are intermittently employed. It should be delivered on a province-wide basis under provincial administration in a single tier. It should co-exist and have active working relationships with a broad network of high quality services to permit education, training, counselling, work preparation and job-finding. It should be based on an information and computerized file system which permits ease of case management, quality control, planning and evaluation. It should provide an easily accessible appeal procedure which ensures administrative fairness and natural justice. It should seek to maintain federal cost-sharing via the Canada Assistance Plan through ongoing negotiation and creative program design.

Each of these declarations addresses a major issue and requires a separate treatment. We shall begin with the form of assistance.

FORM

In recommending a simplified benefit system, the Task Force is seeking social assistance that is most normal in form. Other than for the cost of shelter, which would be provided for on a separate schedule and which would reflect household composition and local rental rates, the amount of assistance would be determined by family size and composition and would be uniform for each configuration. The benefit levels would not be differentiated as to budget items over which income must be allocated; rather, it would leave to the recipient the determination of the amount of money to be spent for food, clothing and other items of need. Besides those few situations in which there is an indicated reason not to do so, assistance would be by monthly cheque. Where there is a reason to withhold payment by cheque, the arrangements made should be short-term, developmental in character and perhaps referrable to a free-standing and separate program of trusteeship.*

ELIGIBILITY

We conceptualize social assistance as a relatively automatic benefit which should go to those who do not have the means to meet the cost of basic necessities. We see the existence of need as the major criterion of need. Eligibility is to be established by the demonstration of need. As discussed earlier, categories of eligibility pose problems of unnecessary complexity and produce gaps in coverage. In a system which separates the delivery of social assistance from social services, the major reason for categorization disappears. Essentially, then, what we propose is a noncategorical system.

Such a recommendation will raise for some the spectre of social assistance on demand and for others the creation of a permanent class of idlers, malingerers and voluntarily non-employed. We intend neither to be the case. On the first issue, we strongly agree with the principle that people should be as self-supporting as possible. There are consistent reports in the research literature that almost the entire adult population wants to be self-supporting (Goodwin, 1972; Davidson and Gaitz, 1974; Ballou, 1976; Butler, 1980; Ross, 1981). Indeed, we are often surprised at the degree of adherence to the work ethic even among those who have been so poorly rewarded for their attachment both to its spirit and to the labour force. The take-up of income security programs has always been less than one hundred per cent of those eligible (Bendick, 1979; 1980 c). Substantial elements of the population cannot bring themselves to accept even income to which they have a legitimate right unless they have worked for it directly. The number of voluntary non-enrollees for the various programs of income security is consistently estimated as far greater than the numbers of those enrolled either fraudulently or otherwise illegitimately (Hasson, 1981; Bendick, 1980 c, cited in Greaves, 1983).

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*The Task Force has learned of models used in other provinces, for example, Saskatchewan, in which cases requiring the close supervision of benefits are referred to non-departmental trustees. These agents provide counselling, teach money management skills, and use a number of techniques by which to return responsibility to the recipient over time.

Those with the capacity to be wholly or partially self-supporting through employment should actively pursue this objective. The social assistance system should promote the expectation that people seek employment, should facilitate access to the development of skills training and retraining programs for those whose skills have become obsolete, and should encourage major programs of job-creation lodged in those branches of government who can best do it. The literature on the employment careers of able-bodied employed is clear; taking work depends more upon the availability of reasonable jobs than upon any other factor (Schiller, 1973; Butler, 1980; Chadwin, et al, 1981). As noted in Chapter III, sufficient demand for labour along with the necessary infrastructure of education and manpower training usually suffices to draw people off social assistance except in social assistance systems which design too many impediments* into leaving the program.

A noncategorical approach raises several issues. One is the problem that benefit levels conditioned by family size may exceed the income levels for those who work for minimum wage. This raises the fear that people will be drawn out of employment onto the social assistance rolls. A second potential problem arises because there are families (and even communities) for which there has been so long a history of welfare dependency that our assertion that most people prefer work to social assistance is not reassuring. Third is the fact that there may indeed be some people who, for whatever reason, refuse to take responsibility for themselves and their families, and the attendant fear that unless there are coercive elements built into the system, these people will exploit the system and the taxpayers shamelessly. Each of these issues will be addressed in turn.

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* Most social assistance systems contain factors like difficulty in re-establishing eligibility, the loss of benefits-in-kind which reduce disposable income of the working poor to less than that of those on assistance, and overly stringent benefit reduction rates on earned income. All of these combine to deter people from trying to leave the program for anything less than assured employment.

The Task Force recognizes the problem created when an enrolled family receives more income than a family in which the head is employed at low wages. This may occur in the case of large families because social assistance rates take family size into account while wage rates do not. Of the two possible solutions - keeping benefit levels so low that they can never rise above the minimum wage level, or permitting the working poor family to enroll for top-up to the social assistance level - the second is much to be preferred. This is now possible in, for example, the City of Winnipeg Social Services and in unorganized territories where the province acts as a municipality. Take-up is low. The Task Force recommends its continuation and expansion.

As regards the situations in which welfare dependency has become a way of life and embedded in the culture, the Task Force takes the view that this is never the case only because of social assistance. More typical is a whole range of problems, either in family life, community organization, the unavailability of opportunities, or the long-standing historical relationships of a group to a paternalistic government agency. To lodge responsibility for long term and inter-generational dependency solely on the income security program is misplaced. More to the point, it does not solve the problem. Merely to withdraw social assistance fails to break the cycle of dependency and, instead, puts people at even greater risk legally, medically and morally. There has to be a multi-facetted strategy developed to deal with problems of this nature. The terms and conditions under which social assistance is offered can never be more than one element in such a strategy and, on the whole, the Task Force judges it to be a less important element than a radical redesign and restructuring of programs and services in a way which permits individuals, families and organizations to have a sense of control over events.

The third issue, what the Task Force has come to call "The Bad Actor" scenario, is a commonly held view. Briefly, the term refers to the fact that there are people who do not subscribe to the mainstream value of self-sufficiency and who unabashedly are content to be parasitical instead. People like these exploit social assistance programs and try to maintain eligibility to which they are clearly not entitled. Traditionally, and almost without exception, social assistance systems pay a great deal of attention to elaborating ways of preventing such people from enrolling and of shedding them from the rolls if they have found their way onto them.

In considering this problem, the Task Force notes that much of the design and conceptualization of last resort social assistance has been based on the assumption that it is a rather large group against which society has to protect itself. The facts belie the concern. As noted elsewhere, the vast majority of the population chooses to work if work is available, even at pay levels that are low and under conditions they find unpleasant. The system has tended to design protections for itself against a problem it has grossly overestimated in extent. These protective measures incur costs for society because they provide obstacles to those who want to achieve more independence but who are unable to do so by the procedures designed for their few deviant neighbours. Paradoxically, the measures elaborated for the deviant members of society don't seem to be successful either. However, no system of income security allows even its ne'er-do-wells to starve to death; one way or another society picks up the cost of their support. In addition to continuing unhappily to support its "bad actors," a wise society may better invest many of its resources into creating positive opportunities for education, training, re-training and successful stimulation of the economy so that jobs will be present and attractive to the rest of the population.

In the last analysis, the Task Force believes that these measures are more important than designing a coercive social assistance system out of an urge to control those few who will not be controlled. There is little point in restraining the very ones who do not need coercion and, more importantly, who are deterred by the controls from becoming as independent of social assistance as they can be. The Task Force sees this as a bad trade-off.

AMOUNT OF ASSISTANCE

The amount of income to be made available through a social assistance program is inevitably controversial. Historically, there are a number of elements which may affect the amount. These include: 1) reference to the amount necessary to motivate job-seeking activity; 2) comparison with the income earned by those fully employed at minimum wage; 3) consideration of the cost of a standard list of basic necessities in a market basket approach; 4) consideration of the relationship of current levels of assistance to the average industrial wage and/or to one of the accepted poverty lines; and 5) political judgement about what level of assistance is considered appropriate, given the ideology of the party in power and its sensitivity to public opinion. Sadly, whatever the amount established, and by whatever means, the selected level will be attacked by some as woefully inadequate and by others as unconscionably excessive.

The seemingly most objective means of establishing a level of assistance - the market basket approach - is the most intrusive and controlling for the recipient. It is also deceptive in its hidden subjectivity, that is, in the value-based selection of those items of consumption which are allowed. In addition, this is the most complex and expensive method for the system to administer. Unless the determination of actual benefits for individual recipient units is assisted by a system of pre-added budgets, it also leads to high error rates in the dispensation of benefits (Bendick, 1980 a). Finally, because of the essential premise that social assistance will meet the actual cost of basic necessities which requires that account be taken of "special needs", it is the most susceptible to subversion by the wide exercise of discretion. For all these reasons, as well as for its departure from the sought goals of normalization and simplicity, it is not a system which the Task Force can recommend.

We recommend a method which combines objectivity and value judgement in a sufficiently open fashion for both elements to be clearly identified and understood. The system we favour is that used by Statistics Canada in its establishment of low income cut-offs.* The objective element is based on the periodic empirical survey of family expenditure which discovers what proportion of family income the average family spends for the essential items of expenditure - food, shelter and clothing. To that amount, Statistics Canada adds twenty percent, an amount chosen as an admitted value judgement, as a band of income to cover other needs. A band of different size can be chosen if one wishes to exercise judgement differently. By extrapolation to family income distributions, low income cut-off figures can be produced for families of different sizes and composition. The consumer expenditure survey can be analyzed by regions and size of community. Thus one can produce locally relevant estimates of how much the major components of a family budget cost.

Because the low income cut-off figure is so much greater than present social assistance levels that it would cost too much to implement, the Task Force recommends that the calculations of benefits be a fixed proportion of the low-income cut-off. In our view, this is a reasonable way by which to arrive at the amount of assistance. However, we caution against setting the level too low because the integrity of the simplified and more streamlined system which is herein recommended depends directly on an amount of assistance adequate enough to enable families to meet their normal needs at a minimally acceptable level.

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* The precise method is described in Appendix D.

DISCRETION

The Task Force recognizes that the claim that a discretionary system is highly responsive to special need or unique circumstance is often valid. As the literature has revealed, discretion is accompanied by a whole host of attendant disadvantages, not the least of which is the degree of variation in decisions made about like cases (see Greaves, 1983 for a review of this literature). To this must be added the higher costs of administering discretionary systems, the flood of extra contacts between recipients and staff, the perceived injustice by those for whom discretionary decisions have been negative, and finally that a discretionary system elicits the very paternalism and social control that we see as interfering with the achievement of independence.

We recognize that it is difficult to contemplate a system that is non-discretionary about the amount of benefits. However, assuming a benefit level which is adequate and an administrative system which is non-intrusive, we would recommend against the incorporation of separate "special needs" allowances. Instead, the basic income entitlement should recognize the probability that each recipient unit will have some unmet but predictable needs and therefore be adequate in amount. It may be difficult to excise this aspect of discretion all at once because recipients may need a transitional process to move to the new system. However, the goal is clear and should be approached reasonably quickly.

Those familiar with the present system will find it difficult to contemplate how recipient needs can be met adequately without a discretionary allowance. In its search for ways to address the problems, the Task Force has found a precedent which may be an interesting alternative to consider. The Quebec social assistance system contains provisions for a low interest loan guarantee program. Manitoba might institute such a program for all residents below the poverty line. It could be staffed by personnel skilled in budget and debt counselling. Social allowance recipients having extraordinary expenses of a non-recurring nature could be referred to such a program. The social assistance program would meet the criteria of equity, normalization and simplification. Recipients would relate to a clear, simple, non-intrusive and respectful system. The divide between the social assistance poor and the working poor would be bridged in that both groups would be expected to meet the cost of extraordinary needs in the same manner.

Discretion is also highly implicated in the procedures by which eligibility is established and maintained. Many of the discretionary issues associated with categorical eligibility will no longer be a problem in the noncategorical system we propose. The administration of the needs test, particularly in the assessment of resources deemed to be available for applicant's use, still remains a highly judgemental area. The assessment process cannot likely be made completely cut-and-dried and still remain fair. However, it is necessary to codify the procedures under which discretion is to be used to narrow its boundaries and to monitor decisions at regular intervals to ensure that like applicants are not being treated differently.

RECIPIENT RESPONSIBILITY FOR EXPENDITURE DECISIONS

Some social assistance systems take the general view that recipients are irresponsible and not very able to make prudent decisions about how to spend the money they receive. Even systems which refrain from making so global a judgement may note that a small proportion of those enrolled appear unreliable in their use of money. All systems want to ensure that recipients, whether reliable or unreliable, actually procure the basic necessities for which social assistance is provided. This concern gives rise to administrative designs which pay attention to the expenditure decisions of recipients. Hence, a request for "special needs" may be assessed not only in terms of the legitimacy of the need but also on a review of how the regularly budgeted allocation has been spent. Similarly, someone who has exhausted remaining income just prior to application may be subjected to a retroactive assessment of the duration of self-support that would be possible were the person living on a social assistance budget prior to application.

In the approach favoured by the Task Force, the social assistance program leaves it to the recipient to allocate income over the unit's needs and wants. It refrains from recapturing unexpended funds except as their accumulation may threaten continued eligibility by exceeding permitted asset levels. Ideally, it expects that recipient family units will begin to put something by for a rainy day, for the replacement or repair of an expensive household item, for a holiday, or for whatever it deems itself to require in order to live in the community decently. If the family decides to save on one set of items so as to have a surplus for something else it prefers or needs, it is permitted to do so by the essentially non-interfering character of the program. The program refrains from recapturing these funds as long as they are below the threshold of permitted assets and this threshold is raised to the level allowed in the C.A.P. Guidelines. It is the fact that the family unit exercises discretion over expenditure and reaps a benefit of having made good decisions that marks the major departure from the traditional approach.

It logically follows that recipients have to face the consequences of making poor decisions. The Task Force favours an approach which, over time, encourages the recipient unit to take more and more responsibility for its expenditure decisions to the point, ultimately, that "special needs" provisions are no longer in the program. Taking responsibility for the consequences of expenditure decisions may expose some recipients to legal recourse in regard to tenancy, credit and child neglect, to name several areas. As regrettable as this may be, the social assistance system ought not to intrude on these other remedies except by facilitating referrals to other services or sources of appropriate assistance. The Task Force does not believe that it is possible to encourage responsibility except than through requiring that people take it, use it, and bear the consequences, good or bad, of having done so. We do acknowledge that some recipients may need special help in learning to do this and we see it as a responsibility of the social assistance program to provide linkage to such help. But in the usual operation of the program, income entitlements are not affected.

The Task Force has opted for an approach which is normalized and which promotes independence. We believe that, all too often, dependency can be a learned response to the helping system and is not always a characteristic of the recipient at the point of enrollment. The removal of systemic barriers to independence makes it less likely that the very system of helping people will cause them to fail.

THE SPECIAL NEEDS OF THE DISABLED PERSON

The Task Force has received briefs and submissions from a variety of groups representing the interests of people with disabling conditions of one type or another. The prevailing opinion was that social assistance is an inappropriate vehicle with which to meet the income needs of the disabled; pension approaches were stated as being much more preferable. While sympathetic to the reasons for the request that we so recommend, the Task Force has not found the jurisdictional, fiscal, or legislative means to provide a recommendation to this effect. However, we are aware of the existence of a federal-provincial group which is now studying a comprehensive disability protection plan. It is hoped that the relevant Minister at both levels of government will receive advice which will minimize greatly, if not completely eliminate, the need to use social assistance to provide a basic income to people with disabilities.

Social assistance is now the major means to provide income to people with disabilities who lack the capacity to earn sufficient income to meet the cost of basic necessities. Many of these recipients have additional problems associated with abnormally expensive needs. Many require special equipment, clothing, household arrangements, or transportation in order to participate as fully as they can in the communities in which they live. More often than not, these represent items of expenditure which far outstrip the costs of equivalent levels of well-being for those without disabilities.

We believe that these extraordinary costs should not be ignored. Merely to equalize income for all recipient units of equivalent size and composition will not be equitable to those disabled people who have abnormally high costs due to their disabilities. However, the Task Force shrinks from recommending a solution which, in the determination of how much extra income should be attached to different types and degrees of infirmity, forces the disabled to continue in a system which makes these judgements as arbitrarily and unfairly as is felt by them now to be the case.

The Task Force believes that most of the special needs of the disabled should be met, not through the social assistance system, but rather as a set of benefits-in-kind for which there would be income-tested subsidies. Those in receipt of social assistance for all or most of their income would receive the services on a fully subsidized basis. A system of reducing subsidy to a reasonable level of income* would assist those at low income but above the social assistance level.

The benefits-in-kind approach will not meet the needs of those requiring special, more costly diets. Increased benefits would have to be permitted on demonstration that there are medical grounds for special dietary supplementation.

The recommendation for benefits-in-kind makes no sense, however, if there is an insufficient supply of services and facilities available to the disabled. Our support of the principles of normalization and equity prompts our strong conviction that barriers of access to community living have to be removed to a far greater extent than is now the case.

INTERACTION WITH OTHER INCOME

As has been explained, the Task Force is recommending an income level deemed to be sufficient to meet the cost of basic necessities. Even so, we recognize that those on social allowance will be living at extremely low levels of income. That this is the case is a fact that cannot be denied or otherwise ignored. A number of income security programs, both federal and provincial, are either specifically aimed at low income families or are especially salient for poor families even if they are universal. Social assistance recipients become particularly resentful when they perceive themselves to be excluded from income transfer programs which have the poor as their principal beneficiaries. Our support of the principles of normalization, adequacy and equity lead us to the recommendation that those on social assistance should be no less eligible for these income transfer programs than other poor people.

Usually, when social assistance programs include income from other transfer programs as part of available income, they set higher benefit levels but reduce the benefits on a dollar for dollar basis for each dollar of transfer income. Where transfer programs are ignored by social assistance, the benefits are generally lower but benefit reduction does not occur. Obviously, the system can be manipulated in such a way as to give the appearance that other transfer income is being made available when it is not. The Task Force takes the position that social assistance rates be adequate on their own account. We recommend that the system allows the receipt of other income that is so important to the poor. We suggest that income below the levels exempted by the income tax system should be untaxed by the social allowance system and that transfer income at levels above those exempted should be taxed at only the rates set forth by Revenue Canada on behalf of both the federal and provincial governments.

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* The level of income at which subsidies cease is called the break-even point. The break-even point would have to be set at a level which recognizes the differences in the living costs of those with disabling handicaps and the general population.

A ONE TIER SYSTEM

The social assistance arrangement most consistent both with our critique of the present system and the principles presented earlier is a one tier system. The two tier system is based upon distinctions about duration of assistance for which we cannot see the logic, and permits variations which are inequitable to the people of the province. In the light of very practical concerns which have been noted in Chapter IV, and our judgement that it is too difficult to implement the exemplary principles of Chapter VI in a two tier system, the Task Force recommends that Manitoba should move to a one tier system under provincial jurisdiction.

The greatest immediate advantage to be achieved in a one tier system is that there would be a standardization of rates. Of the 202 municipalities in Manitoba, fully 126 publish rates lower than prevailing provincial rates. Where the published rate schedules are the same, benefits are usually lower because municipal assistance tends to exclude certain budgetary items, for example, the personal allowance, from the benefit level actually provided. Even the province, when it acts as a municipality in unorganized territories, pays less than its own rates. In its public hearings, the Task Force has been strongly urged to recommend that if the provincial government cannot move to a single tier system, at the very least, it should standardize all municipal social assistance rates to the provincial level. We heartily endorse the need for a single rate structure and we see it as the minimally necessary step to be taken. However, since rate standardization is the major component of extra cost, we are of the view that, having gone this far, going fully to the single tier system will make it possible to rationalize the entire system and to enjoy substantial economies of scale at very little additional cost.*

There are many benefits to be gained from instituting a one tier system. There would no longer be the need to operate a categorical program which makes imputed distinctions between recipients which are often unsupported by the empirical facts in relation to the caseload. There would no longer be the need to try to transfer cases from one tier to the other when, in a gray area of interpretation, the applicant or recipient is judged to be better dealt with by the other tier. No longer would there be reasons for applicants or recipients to change residency so as to receive higher benefits or to seek reclassification of the basis of eligibility to get onto the program offering the more adequate benefits. Municipalities would no longer have to continue to fulfill a function which many report as beyond their limited resources and the skills of their personnel. Invidious distinctions between deserving and undeserving applicants, often based only on how well known a person or family is in a given community, would be less likely to be made. The quite considerable variability in the criteria of eligibility, and in the way in which these criteria are applied to applicants, would be reduced. Finally, the potential would exist for the entire social assistance system to achieve the principles described in Chapter VI.

An issue to be dealt with in a one tier system is how to arrange for emergency assistance. It may still have to be handled at the local level if there is not a provincial office readily accessible. There would have to be a uniform set of provincial guidelines for the issuance of emergency assistance, and such assistance should be fully reimbursable by the province to the local agency which issues it. Should a municipal council wish to serve as a delegated agency of emergency assistance, it should be permitted to do so as long as it agrees to abide by the spirit and the letter of the provincial guidelines. Should a municipal council not wish to become involved in this matter, it will be incumbent upon the provincial department to locate a delegate agency whether it be a church, local service club, the R.C.M.P. detachment, or other appropriate body. Any agency delegated to issue emergency assistance would have to abide by the provincial standards established for that purpose.

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* The cost estimates prepared for the Task Force by consultants, and as adapted by the Task Force staff, are to be found in Appendix F.

How the change from a two tier to a one tier system is to be implemented is an important question. Many options are possible. The Task Force favours a method which is not highly interventionist and which offers incentives to the municipalities for their agreement to have the province provide all social assistance. As was done in Alberta, municipalities should be invited to devolve responsibility for municipal assistance to the province on a voluntary basis. The provincial department would bear the full cost of assistance as well as the administrative expenses for all those municipalities responding positively to the invitation. Notwithstanding the plan to move to a unitary system, municipalities could still choose to maintain their own system of assistance. Those wishing to continue the provision of assistance would be required to administer assistance at prevailing provincial rates and according to provincial standards. They would be reimbursed for the cost of benefits and administrative expenses on the same basis as is now the case.

CONNECTION TO SERVICES

The Task Force has been definite in its preference that a social assistance program should function only as an income security program; we are equally certain that there must co-exist a set of well developed and widely available personal social services, resources for education and training and programs by which people can develop and enhance their personal competencies. The conceptual model adopted by the Task Force is one which actively presents opportunities for people to achieve self-sufficiency. It will work only if these opportunities are available, attractive and feasible. A number of different issues, all of them important, require some separate elaboration.

The first is to review briefly the rationale for separating social assistance from social services and to remind ourselves of the conditions under which separation can lead to successful provision of services to those who need or want them. Separation is based on the recognition that not all those who lack the financial resources with which to meet their needs require personal social services as well. It also recognizes that the use of social services is most effective when the services are voluntarily sought, that the motivation of the user is a key factor in achieving the goals of the service. Finally, it notes that the administrative arrangement which automatically ties services to social assistance as a matter of course permits, perhaps, illegitimate means by which those offering the services can manipulate recipients. For example, threats to withhold payments unless users comply with treatment plans tend to elicit hostile or alienated responses instead of cooperation and tend not to succeed on that account (Etzioni, 1964). For these and other reasons, separation of services by the province was implemented in the early 1970's.

Nevertheless, effectiveness requires that clear linkages between income maintenance and social services need to exist. Active referral networks have to be established and, once established, maintained. Social assistance workers need to have knowledge of the variety of relevant programs, their rules of eligibility, their availability and length of waiting periods so that referrals can be made appropriately and that recipients actually will receive the services which have been requested. While more can be said about the arrangements that need to be in place in order for the referral system to work successfully, for now the general point to remember is that successful referral systems do not come about merely by decree; they require careful planning and design, ongoing coordination and periodic review and improvement.

A second issue raised by the separation of social assistance from the provision of social services is the availability and supply of a wide range of services by which people can be assisted to achieve a higher level of self-sufficiency. Some of those who are enrolled on social assistance will be able to leave the program quite easily and almost entirely as a result of their own efforts. Others will be able to leave the program if there are facilities to assist them to do so with the proper supportive and facilitative services. Still others who will always be on the program to some degree, can achieve higher levels of self-sufficiency, even to the point of earning some of the income which is required to support them. Others still, while they may never have any type of attachment to the labour market, can be assisted to become more competent individuals, more highly integrated members of the community and more able to make important decisions about their own lives. There is no reason why being on social assistance has to diminish one's capacity to be self-sufficient and/or self fulfilling. Properly conceived programs to which social assistance enrollees have ease of access and for which they have eligibility can help this happen. As we will note below, not all of these programs need to be associated with the personal social services. Whatever the auspices, what is required are the means by which people can solve problems blocking their progress, acquire the supportive services (like day care, relocation assistance if needed, low cost housing, etc.), have access to educational up-grading, training and retraining and have the reasonable hope that these can be translated into employment or its equivalent. Without the provision of a sufficient supply of services, programs, educational spaces, etc., societal calls of self-sufficiency ring hollow. To ration services and facilitating programs stringently is to undermine the goal of independence. It is a false economy to deny access to the means by which recipients can leave the program, reduce their dependency upon it, or live more competently in their communities even if enrollment continues.

Auspices under which services are to be provided is a third issue. We are very clear in our belief that the services that the majority of recipients may require are those that everyone else uses and are within the mainstream. Examples are programs to complete high school; diploma, certificate and degree programs in universities and community colleges; continuing education courses offered by post secondary institutions and by school divisions; programs of informal education and recreation offered by towns and cities and by community centres. These regular opportunities are no less important or relevant to social assistance enrollees than to others. We believe that there has been a sad neglect of the normal opportunities for self improvement for social assistance recipients. The system has played an excluding, gate-keeping role, instead of an inviting and encouraging function. Wherever possible, social assistance recipients should be encouraged to participate in programs which offer regular mainstream credentials or certification.

As for other services, we do not believe that facilitative opportunities for people necessarily have to be lodged in government or, if in government, under the auspices of the Department of Community Services and Corrections. Rather, the facilities and agencies should be placed under the auspices most likely to lead to the successful achievement of their objectives. In this regard, we question whether or not those programs that are geared to work preparation, training and retraining and job stimulation/creation are appropriately lodged in the social services area. It may be more effective to locate programs of this nature in, for example, the Department of Labour and Employment Services and/or the Department of Education. Thus, the full range of training and retraining can be contemplated holistically, with social services mobilized only for those who require them in addition to the training itself. Where social services are required as part of the training program, they can be provided contractually by the agency best able to do so. Our advice in this matter is to give careful thought to the location and sponsorship of programs; the deciding factor should be which agency has the most competency in, and leverage on, achieving a given set of objectives.

Finally, the issue of linkage needs to be addressed. Experience demonstrates that it is not enough merely to announce the availability of facilitating programs and services and then passively to await a response. That billions of dollars are spent on advertising even those products which have high consumer acceptance tells us that a pro-active, encouraging and marketing stance needs to be taken. There are factors like inertia to overcome. The fears associated with limited experience, lack of confidence and low self-esteem are hard to dispel. Attempts to clarify one's own goals and objectives when in a situation of precarious security and in an uncertain world feels risky to those involved. These factors affect all of us; they are certainly no less true of those on social assistance. Therefore, the important task of connecting recipients to opportunities must be seen as requiring great skill and imagination.

At the same time, we counsel against procedures that are overly intrusive or coercive. People generally best meet performance expectations which they choose voluntarily and when they subscribe to the goals to which the actions lead (White and Lippit, 1953; Etzioni, 1964; Herzberg, 1968). Social assistance recipients are no different from the rest of us in this regard. Actively linking people to programs in a voluntary system in which recipients choose their own goals, the pace at which and the means by which they try to achieve them depends critically upon the availability of consultation along the way.

The Task Force has considered a number of models by which the connections can be effected. We accept as fundamental that one's support should not in any way be threatened by a decision to follow or not follow a particular course of recommended action. However, we note the fairly prevalent fear that unless the system has in its own hands the means by which to move people off assistance, it will be unable to contain the costs associated with high enrollment and low turnover. This objection has to be met so as to make the program more politically acceptable and because the demand that people do as much as they can to become self-sufficient is quite legitimate. Our resolution of the dual requirements of non-coercion on the one hand and legitimate recipient accountability on the other is to look for models of referral and linkage agencies which are freestanding of the Division of Income Security.

The Task Force has considered a model which it has called a Social and Human Services Agency. It would be free-standing of social assistance and would be available to all. It would be responsible for providing linkages with all services by which greater self-sufficiency can be attained. It would provide information about existing opportunities. It would provide consultation to social assistance recipients, encouraging and facilitating their access to experiences which would minimize dependency. It would refer recipients to appropriate agencies of education, training or employment, based on plans jointly conceived with them. In order for a plan to be feasibly achievable, the agency would mobilize the necessary additional resources which would be required. Finally, it would contract with the recipient so that the additional resources (for example, student aid), are contingent upon the maintenance and completion of the plan. Such an agency could be part of the Department of Community Services and Corrections or quite separate from it, operating as a non-governmental organization performing a contractual function. The Task Force favours the latter, preferring that this model be implemented through a series of small scale agencies under community control.

Models for the governance of such a free-standing agency can be found in the rather short-lived B.C. experiment with Human Resource Boards, the structures created in Quebec in connection with the Centres Local de Services Communitaires and others. The essential characteristic of this model is local governance and the appearance of approachability that it engenders. Information and referral, consultation, case management, resource allocation and program development all can be undertaken by the agencies overseen by such a Board with the necessary co-ordination of services and programs being a prominent responsibility of their management.

These examples provided are only that, examples. They are not exhaustive but they highlight the direction of our thinking. The Task Force views linkage to services as a keystone upon which the promotion of independence relies. The provision of opportunities is not to be taken lightly and their availability to social assistance recipients has to be actual in the physical, psychological and social sense.

INFORMATION SYSTEM

Chapter IV described the rather rudimentary status of the social assistance information system. In order to improve effectiveness, we recommend a progressive, modular approach to development of a comprehensive automated information system. This involves specification of a long-range plan to guarantee rational development so that the individual components will form a coherent system. Such an approach ensures efficiency while spreading development time over several years and allows for adjustment of organizational practices and information needs during the development process.

The federal government is so persuaded of the merits of comprehensively automated information systems that not only are operating costs shared under the Canada Assistance Plan, but substantial funds are provided for systems development and implementation through an information systems contribution program. Thus, the demands on the provincial treasury are vastly reduced. When the internal benefits of a comprehensively automated information system are also considered, the attractiveness of this recommendation becomes almost irresistible.

We recommend the development of "payment", "socio-demographic" and "service episode" modules in that order of priority. Further modules could be developed as necessary.

The payment module would store and manipulate two kinds of information and would serve two program functions. First, it would contain detailed information about recipient benefits and would issue appropriate cheques. It would also have the capacity to supply cheques immediately to satisfy emergency requirements. Thus, it would be possible to have literally all benefit cheques generated by this module which would facilitate both auditing and maintenance of recipient accounts. Secondly, this module would contain recipient identification data (e.g. name, recipient number, address, etc.) and would serve as a central registration file. Thus, current or past program registration could quickly be determined at the time when an application is made.

Implementation of this module would have many advantages in terms of day-to-day case management as well as providing information support for management decision-making. As to the former, paper work would be greatly reduced, universal rate changes could be easily implemented, up-to-date information regarding current and past benefits paid to a recipient would be readily available and changes in benefits could be processed with very little lead time. With regard to the latter, basic financial management information such as total assistance paid and average assistance per recipient would be easily and quickly available. The cost of proposed rate changes could also be accurately determined with a minimum of program effort.

In the second phase, the socio-demographic module would store and manipulate information about the social situation and demographic characteristics of recipients. Basic information such as family composition, ages, education levels and work history would be included. This module would automatically adjust benefit levels for recipients based on socio-demographic characteristics, such as a change in family composition. This would likely result in fewer calculation errors, files being overlooked and the resulting over and underpayments. A wealth of management information about the program's caseload would also be available which could be combined with information from the payments module to obtain data regarding benefits paid to certain demographic groups. It could also be utilized to identify recipients for training or employment recruitment efforts on the basis of their age, family composition, educational or employment background. Finally, more comprehensive information to support decision making would be available. For example, the cost of a change in the rates for shelter could be easily and quickly determined.

In the third phase, the service episode module would store and manipulate information about contacts between program staff and recipients. It would be utilized to schedule activities for case-management purposes, as well as to examine program service patterns. For example, this module could be utilized to monitor whether referrals made by the programs have been acted upon by the receiving agencies.

The system itself, and the way it is introduced, must be very well planned so that it can demonstrate immediate success upon implementation. It will be very difficult to recruit the support of departmental staff at the field level without their experience of the reinforcement of early success. In the planning process, serious attention must be given to organizational and human factors. It is imperative that the personnel responsible for the development, implementation and maintenance of the system must be keenly attuned to the importance of motivating and maintaining staff commitment.

Specifically, top-level departmental management must demonstrate their support for the proposed system in order to develop confidence by line staff that the system will be implemented. Ambivalence or hesitation from this quarter will be extremely damaging. Beyond this, a high-level steering committee including managers, field staff and technicians should be assembled to plan the development of the system. Such a committee would demonstrate the commitment of the departmental administration and would invite the participation of all affected parties into the process. Eventually, responsibility for ongoing management of the information system would be vested in a single, well qualified manager, cognizant of both technical and human considerations.

To reiterate, it is important that information providers and users be involved in the planning of the system in order to enhance their commitment to it. This is especially necessary given the false starts toward an automated system in the past. Further, the planning process must present frequent and varied opportunities for communication in order that feedback be available for corrective purposes in systems development. Finally, the quality of working life of program staff must be addressed directly. Opportunity for training and retraining must be provided as development of an automated system provides new career opportunities.

In summation, the Task Force recommends development of a computerized information system. A range of experience has demonstrated that this constitutes a cost-efficient and effective manner of generating information for ongoing case management, program auditing, planning and evaluation. Successful implementation will depend upon careful and participatory planning which pays as close attention to the human and organizational factors as to the technical elements. The clear and consistent support of senior management is essential if the Manitoba social assistance program is to have an information system appropriate for the nineteen eighties and nineties.

BENEFIT REDUCTION RATE

As already stated, we favour the ready availability of a variety of routes to self-sufficiency. Furthermore, the vast majority of social assistance recipients appear to share the aspirations of the rest of the citizenry with regard to attaining and maintaining economic independence. Therefore, it is important to incorporate features of the social assistance system which reward these aspirations. A work incentive program attempts to do this, but we have seen in Chapter IV that there are strong disincentive effects in the present system.

The amount and manner by which benefits are reduced under the provincial Work Incentive Program for each increment of earned income have important ramifications for either penalizing or rewarding recipients for their work. This aspect of social assistance has to become more clearly encouraging of extra effort. Therefore we recommend that alterations be made to the benefit reduction rate, the complexity of its structure, its coverage, the waiting period which must elapse before a recipient is eligible, the relevant accounting period and the provision of additional benefits for work-related expenses.

Because social assistance recipients distribute their preferences between work and dependence in a manner similar to the general population, many would work as much as possible if they could benefit sufficiently from their labour. Heavy penalties for working will decrease the willingness to do so. In Chapter IV, we saw that the current system reduces benefits at so high a rate that the decision to work becomes economically irrational.

This is lamentable on several grounds. The tax system must continue to support completely those who would otherwise be partially self-sufficient. Thus, the social assistance system operates in a way which is self-defeating. It asks for independence but induces the opposite through setting up rules which negate its purpose. Its discouragement of work effort deters recipients from pursuing work more fully. Although we provide strong incentives for valued behaviour through the tax system, we appear to refrain from similarly supporting the work efforts of social assistance recipients.

The Task Force commissioned a simulation of the effects of lowering the reduction rate for each dollar earned for a sample of recipients participating in the provincial work incentive program in three Winnipeg district offices in April, 1983. Even the modest change involved in fixing this benefit reduction rate at seventy percent (70%) for all increments of income would see recipients increase slightly the hours they work and thus the amount they earn. Small caseload reductions and some modest savings could also result. If the benefit reduction rate were set at fifty percent (50%), recipients would increase their hours worked by half and caseload reductions large enough to generate significant savings would likely result. Intermediate results were found when the intermediate rate, sixty percent (60%) was chosen.

The current provincial work incentive program is highly complex, since there are three benefit reduction rates, each based upon a different criterion. Since each option is most advantageous for different amounts of income, a complicated and segmented benefit reduction rate structure results. It is for this reason that we recommend a constant benefit reduction rate and that it begin with the first dollar earned. We further recommend that the rate be reduced to the fifty percent (50%) level.

Provincial social allowance and some municipal welfare programs currently allow discretionary provision of additional benefits for work-related expenses. This measure is obviously inconsistent with the normal situation for non-enrolled workers. We recommend the curtailment of benefits for work-related expenses, but the institution of a benefit reduction rate of fifty percent (50%) which permits retention of enough disposable income to support rational decisions to work. Such a change would have the effect of placing recipients in a more normal situation, more like that of their non-enrolled peers. In the short run, it would not be advantageous to those who earn only the amount currently exempted, but the longer run reward for greater work effort is clear.

Equity requires that those in like circumstances be dealt with in a like manner. Currently, the provincial social allowance program excludes certain categories of recipients and certain sources of income from the work incentive program.* Also, municipal benefit reduction rate structures seem to vary widely; most are more punitive than the provincial tier's work incentive program. It would be better for all recipients to have fair access to normal economic possibilities and developmental opportunities. Is it reasonable to exclude students, the self-employed, the able-bodied and those with disabled dependents?

It is especially important that new recipients do not have their quick return to partial or complete self-sufficiency hindered. Many enrollees may be in the midst of emotional crises on first enrollment due to recent marital separation, divorce, unemployment, death of a spouse, physical injury, onset of an illness, or similar events which have resulted in the interruption of income. Indeed, many may experience enrollment on social assistance as itself stressful and injurious to self-esteem. Thus, during this period, recipients are in particular need of support, encouragement and normalizing experiences. For these reasons, there should not be a required waiting period before work incentive benefits are made available.

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* Post secondary students and those whose eligibility is based upon extra expenses for special home or institutional care to dependents are examples of exclusion from eligibility. Unemployed employables in unorganized territories may be excluded on a discretionary basis. Self employment income is excluded after $50 monthly or $600 annually.

We also recommend a longer accounting period for earned income because lengthening the period reduces benefits more gradually in response to increases in income. This will cushion the abrupt cessation of benefits-in-kind when earnings lead to termination of eligibility. This will also promote sustained rather than sporadic work efforts. Furthermore, it will reduce present inequities between recipients with similar annual incomes earned in differing monthly proportions. The accounting period should begin at the date of enrollment.

In summary, we recommend a simplified, flat rate benefit reduction structure which is adequate to support an economically rational decision to work and to provide for work expenses. The same measures should be applied to all recipients equally and earned income should be accounted over a period in excess of one month. While these measures are justified on their own grounds, they cannot be expected to result in increased working behaviour in the absence of labour market opportunities and such supportive programs as accessible child care. Whether or not sufficient opportunities exist, it is important that the construction of the social assistance system be such that people benefit more when they work more.

APPEALS

We feel that an effective appeal process is an essential element of the social assistance system. In last resort programs it is especially important that an accessible, fair and timely mechanism be available to review decisions regarding the provision of the basic necessities of life. As described in Chapter IV, several aspects of our appeal processes require improvement for both fairness and accessibility.

First, we recommend that benefits be automatically provided to applicants or recipients who are appealing denials or terminations of assistance. This is necessary in order to ensure that those to whom benefits were unfairly denied or terminated can maintain themselves until the appeal is heard.

Second, we recommend that the procedures utilized by the Social Services Advisory Committee be regularized and codified in a manner which is consistent with the principles of natural justice. This is necessary in order to improve the consistency of the process and to protect the rights of the parties involved. For example, these procedures must provide that both parties are present for all aspects of the hearing and that all evidence presented by each to the Committee is available to the other. Generally, they must ensure that each party has an equal and adequate opportunity to make their respective cases.

However, codification must be accomplished in a manner which does not render the appeal process so legalistic that this in itself becomes a barrier to its use. Excessive legalism would cause the process to be less psychologically accessible and the actual hearings less readily understandable by recipients. In addition, formally legal hearings make it more necessary for there to be representation by professional legal advocates. This would render making an appeal highly dependent not only upon a recipient's psychological readiness to engage a lawyer but also upon the supply, distribution and availability of high quality free legal services. A careful balance must be struck to establish procedures which adequately protect the rights of the parties involved without sacrificing accessibility.

Third, we recommend that the Social Services Advisory Committee be required to provide reasons for its findings in order to facilitate decisions about proceeding to further appeal. We also think that the routes to further appeal are too restrictive both with regard to the grounds and number of steps available.

Therefore, our fourth recommendation is that an unrestricted right of appeal of the Committee's decisions to the County Court be made available. This would constitute a middle level of appeal between the Committee and the more restricted access to the Court of Appeal.

Fifth, we recommend that, as a matter of course, one or more recipients and/or members of advocacy organizations be appointed to the Social Services Advisory Committee.

In a social assistance system with more limited exercise of discretion, the scope for appeals would be decreased. Nevertheless, the effectiveness of the appeal process must be enhanced because it provides the last recourse of applicants and recipients of a last resort program.

ELIGIBILITY FOR COST SHARING

The Task Force had made an intensive study of the social assistance legislation and regulations in other provinces. We have also consulted widely over the process of the review with key persons in a number of other provinces in order to acquire a lively sense of the programs now in place and under consideration. We have a good sense of the range and variety of programs and services which have qualified for C.A.P. cost-sharing. We have also conducted our own review of the C.A.P. legislation, regulations and guidelines, consulting where necessary with both federal and provincial officials. On the basis of our distillation of the abundant information made available to us, the Task Force is of the opinion that, with the exception of a low cost loan guarantee program, the approaches which have been recommended both in Chapter V and this Chapter will qualify for cost-sharing under the federal program.

CONCLUSION

In this Chapter, the Task Force has set forth its recommendations for a more basic and systematic revision of the Social Assistance system. We have been guided by the critique in Chapter IV, by the unanswered questions left by the Terms of Reference as covered in Chapter V, and by the guiding principles enunciated in Chapter VI as more likely to achieve the goals of independence and self-sufficiency. We anticipate that the thoughtful reader will not be offended by our departure from some of the traditional methods used in social assistance programming, and will be open to different approaches which attempt to avoid repeating the same mistakes which are by now far too familiar. Our concluding remarks follow in Chapter VIII.

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CHAPTER VIII

CONCLUSION

It is difficult to provide precise estimates to attach to the implementation of our recommendations. We can identify the components of extra cost and enumerate the areas of anticipated saving. However, many factors determine the ultimate cost. These include caseload size, the pace of implementation, whether the recommendations are adopted in whole or in part, the extent to which and the manner by which they are implemented and so on. Notwithstanding the impossibility of estimating the cost of implementing the recommendations, we are confident that no course of action has been recommended which will threaten cost-sharing through the Canada Assistance Plan.

These are the recommended actions which will incur new costs. The most obviously expensive is the cost of standardizing municipal rates and bringing them to the provincial level. Should a one tier system be adopted in the manner proposed, the loss of the municipal contribution would be an additional cost although this will be partially offset by the fact that administrative costs for the provincial program are only a fraction of those for the municipal tier.

Raising benefits to more adequate levels is a second element of higher cost although this may be substantially offset by simplifying the means of benefit determination and by making the system far less discretionary. Both the complexity and the discretionary character of benefit determination are associated with hidden costs, the first through the greater likelihood of error, the second through its labour intensiveness. However, even with these savings, raising benefits to a more adequate level is likely to require more money.

One of the two changes recommended in regard to eligibility-testing, raising permitted asset and income levels, is likely to increase take-up, and, therefore, the size of the caseload. At the same time, those who would become newly eligible are the most likely to be on assistance for a short time and would be better poised to leave the program on the assumption of available work.

It is also likely that the removal of categories of eligibility will have a small upward effect on caseload size, and thereby constitute an area of higher cost. This possibly is offset by the removal of many of the hidden but expensive administrative costs of establishing categorical eligibility as well as those associated with transferring cases from one tier to the other. Given the magnitude of the expense involved in, for example, medical panelling, it is entirely possible that non-categorical eligibility will be less costly even if caseloads increase by what is expected to be only a negligible amount.

Establishing a computer based modular information system requires some early investment but promises longer term savings. Much of the development cost can be recouped from a special federal fund for that purpose, and the ongoing operating costs can be fully cost-sharable through the Canada Assistance Plan. Our consultants have advised that even the capital costs need not be extensive and that, indeed, some greater investment in the acquisition of hardware may permit substantial savings in operating costs thereafter. In any event, the cost-effectiveness of the present information system is so low as to make it quite unthinkable that any new costs that need to be incurred will be avoided.

There are two ways to think about the costs associated with work incentive programs which allow recipients to retain part of their earned income. One way is to calculate the income foregone by utilizing anything less than a one hundred percent (100%) benefit reduction rate, that is, to count every dollar not recaptured as spent. The second is to calculate the reductions in benefits actually paid as well as to estimate the net effect on caseload size (assessing the offsetting effects of a longer period of eligibility and a higher rate of voluntary termination due to employment). The Task Force does not think the first method makes much sense; indeed, we regard it as likely responsible for the existence of a structure of benefit reduction rates which penalize rather than encourage earnings. We anticipate that the combination of cancelling the exemption of the first fifty dollars ($50) of earned income at the same time as lowering the benefit reduction rate to fifty percent (50%) will increase take-up of the Work Incentive Program, and, on balance, reduce costs.

Finally, our recommendations have been very clear about the need for a substantial investment in services which provide opportunities to regain self-sufficiency. By any measure, these facilities are in too short supply and, even where available, they are too difficult for social assistance recipients to connect with. Rationing essential services always gives the illusion of prudent money management. It is neither prudent nor particularly clever merely to defer costs (which is all rationing really does) when the consequence of doing so is to hold people in a state of dependency unnecessarily and longer. While it is necessary to allocate more funds to essential services, the Task Force does not shrink from recommending that the money be found to foster the highest possible degree of self-sufficiency.

In the estimation of the fiscal impact of Task Force recommendations, it is also important to recognize significant areas of savings. Some of these have already been mentioned as offsets to cost increases. These included the elimination of such expensive procedures as the market basket determination of benefit levels, the abundant use of discretion, the complex determination of categorical eligibility, the enormous hidden costs of an archaic file and information system, the longer enrollment of full budget individuals on a work incentive program with punitive rates, and the absolute shortage of easily accessible facilitative services which promote independence. To these, we can add the high costs of stigmatization, learned helplessness and other elements of the poverty trap. The Task Force does not envisage that even these savings will make the social assistance system cheap to operate. However, we are clear in our belief that a system built upon the principles we have cited, and with the features we have recommended, will be far more efficient, much more cost-effective, and from our point of view, most importantly, much less damaging to those Manitobans who require assistance of last resort.

We have accepted the goals but not the means of traditional social assistance. With no less fervour than the seventeenth century framers of the Poor Laws do we espouse independence and self-sufficiency as goals to be sought in a social assistance system. We reject as demonstrably ineffective the means carried over from that time by which to achieve the goals. People cannot be forced to do what they have not the capacity or the opportunity to do. We now know that incentives and opportunities are necessary. We know that simplified approaches which preserve dignity and autonomy for recipients are necessary. We know that procedures of assistance consistent with the goals to be achieved are necessary. We charge those responsible for social assistance policy in Manitoba to have the courage and foresight to purge themselves of long established misconceptions and to move with what is so clearly known.

MINORITY STATEMENT

By

Dorine Thomas

The main body of the Task Force Report advocates the establishment of an essentially new system of social assistance based on the unconditional right of members of our society to financial support when they are themselves unable to meet the costs of their needs. Regulations requiring recipients to seek employment are firmly rejected in favour of voluntary self-selection into a number of options seen to be valuable to the individual and the community. The Report enunciates principles which lead to a noncategorical, automated, single tier system, largely devoid of administrative discretion, separated from social service delivery and adequate to meet "normal needs in a normal way". It seeks to remove the stigma associated with the receipt of social assistance felt by many recipients and voiced by members of the community as a whole.

Following months of discussions and a sincere effort by all members of the Task Force to reach a consensus, I find myself unable to endorse the Report as a whole. The disagreement is both with the underlying philosophy of the new system and the interpretation of the principles which direct it. Although I can agree with many of the recommendations being made, I view the changes in the context of the existing system rather than through the new system as proposed.

It is with great regret that I submit this Minority Statement, for I have found the members of the Task Force to be sincere, caring and concerned individuals who have endeavoured to ensure that all members of our society have the resources with which to live in dignity.

THE PHILOSOPHY OF SOCIAL ASSISTANCE

The major area of dissension is the basic philosophy which holds that, once the existence of need is established by a means test, social assistance is then an unconditional right. There are no requirements made of the recipients except that they continue to be in need. I find this unacceptable. While the assurance of the basic necessities of life (food, shelter, clothing) may be a right in our society, that right is not without attendant conditions. The majority of the Task Force believes that the expectation that people will aim to be self-supporting is sufficient. No firm requirements are needed; indeed, requirements are viewed as ineffectual and coercive and to be avoided. The majority of the Task Force views expectations as conditions. I cannot and do not. Expectations and conditions are by definition not the same. Anything can be deemed to be a condition; this does not make it so.

If we say that society has a collective responsibility to provide for those who are unable to care for themselves, it follows that those in receipt of assistance have a share of that collective responsibility, a reciprocal obligation to society to make every effort to care for themselves and, in turn, for others. To say that recipients "should" or "are expected to" care for themselves is insufficient.

An obligation is a contract which must be fulfilled. If we remove recipients from their obligations, from their share of the collective responsibility, are we not demeaning them as valuable members of society? Is it not paternalistic to say that social assistance recipients should not be required to function as other members of society and meet their obligations? If the financial criteria are met, assistance becomes a right. That right must be conditioned by the requirement that self-sufficiency be actively sought, in a manner best suited to the individual's ability.

In traditional Native cultures the way of life was communal; those able at a given time provided for those who could not. All could not provide equally but all contributed what and when they were able. Sharing was a requirement of the way of life. Those who refused to contribute were shunned, a serious consequence in a communal system. Consequences did not fall to those unable to contribute, only to those unwilling. The inter-dependence of community members now, as then, requires that each do his part. We cannot say that part of society is required to contribute while others are not. If communal tax dollars are required to provide for the needs of social assistance recipients, recipients must be required to help themselves to the fullest extent possible, sharing the communal load. Should the recipient abrogate his responsibility, he in turn must relinquish his rights.

In Chapter VI, the Report states that the Task Force seeks the "goals of independence, self-reliance, self-respect and dignity". The new system being proposed is presented as a non-coercive, supportive program, offering a vehicle by which recipients may voluntarily opt into programs for employment or other advancement. In his presentation and written report to the Task Force, Dr. Arie Nadler states the premise that a manageable amount of threat to self-esteem can act as a spur to the recipient's making efforts to achieve self-sufficiency. The system being proposed puts recipients outside the pale of the collective responsibility. How badly would recipients be regarded by other members of the community who could perceive recipients as a class of legislated idlers! This is more than a manageable threat to self-esteem. The present system with its attendant employment seeking rules and potential threat to loss of income is far better.

I do not believe that the new system being proposed can achieve the goals of self-respect and dignity; just the opposite. I believe the threat to self-esteem would be so great as to overwhelm self-reliance and lead to greater dependency, particularly in those segments of the case load already demonstrating multi-generational dependency. This phenomenon is certainly not the result solely of the social assistance system, but the Report's proposals would only worsen the problem. Simply to encourage social assistance recipients to make efforts at self-sufficiency is not enough. The regulations now read that recipients must accept reasonable employment if offered. This must be retained.

GUIDING PRINCIPLES OF THE NEW SYSTEM

1. Normalization

In this principle, the majority Report calls for a different basis for the calculation of the benefit level, not expenditure dependent. With the exception of shelter cost, a variable to be retained to ensure C.A.P. cost sharing, the allocation of social assistance benefits would be left to the recipient unit. Cheques would be issued except in the case of proven abuse or inability to use the cheque system. Benefits would continue through any appeal procedure. I agree with these recommendations.

I cannot agree with the integration of "special needs" into the calculation of the amount needed for the recipient unit. The system is designed to be last resort, providing the basic necessities of food, clothing, shelter and some personal allowance. Needs beyond this point should not be considered the routine responsibility of the public purse. Needless to say, if a social assistance program is designed to meet only basic costs, with needs beyond basics supplied from "special needs", the notion of low interest loans for recipients cannot be supported. If recipients have the right to receive funds if their income is insufficient, society has a right to ensure that money spent for anything beyond the basics is accounted for.

Rising from the statement on normalization is the concept that in "normal" society, the receipt of income is performance dependent. The receipt of a paycheck depends on doing a job. In the proposed new system, no such requirement is made. Recipients are only encouraged, not required, to make any effort to help themselves. If normalcy is desired, performance criteria must be retained; i.e. job search and the acceptance of work if offered.

It must be noted here that the main Report makes one point with which I am in total agreement. In remote and isolated communties, and in the province as a whole in poor economic times such as the present, there are few jobs to be had. The requirement that recipients must search for and accept employment is meaningless unless there are sufficient support systems in place to make employment a real possibility. Long range planning for economic and educational development for both the public and private sectors must be a priority for any government sincerely interested in a just society. Peripheral supports such as day care facilities and transportation for those with physical handicaps must be put into place. While these measures are not the mandate of the social assistance system, any positive change in that system cannot come about without them. Employment seeking regulations must be both real and possible.

2. Adequacy

The majority Report calls for payments that cover the cost of basic necessities plus what are now called "special needs" in a system designed to meet all regular needs on an on-going basis. I feel that special needs should be retained, as discussed above. The amount of basic entitlement can be calculated for the recipient unit as described in the Report, except for special needs, resulting in decreased administrative burden. The monitoring of special needs expenditures may be costly, but can be more than off-set by streamlining other aspects of the system while retaining a check on expenditures of public monies beyond the basic needs of the recipients.

3. Simplification

The institution of a computer based payment system, coupled with a single tier system as recommended will do a great deal to reduce the complexity and inequities now encountered in the manually operated, two tier system. The goals of reduced intrusiveness, greater equity (since like recipient units would receive like income), reduced administrative costs over time, clarity and consistency would ensue from these two recommendations. The design of the monitoring system may prove difficult since other levels of government would become involved in the auditing procedures. I strongly support both computerization and the institution of a single tier system on the principles of simplification, equity and program linkage.

Although the streamlined, single tier system would remove many of the categories of eligibility, some would perforce remain. Single parents could constitute a category. I question the current regulations which allow a mother to remain in the home until the youngest child is eighteen. If the parent has eighteen years of non-involvement in the workplace, how can he/she be expected to compete for jobs? Surely a reduction to six years, with later regulations requiring work, skills training, volunteering or other positive community involvement would be preferable. Exceptions could be made in case of physical or mental handicap of the child.

Status Indians living off-reserve would remain an administrative category for the purpose of bill-back and should receive the amounts scheduled by the federal government.

Dependent children would need to be considered in a separate category since, as minors, they cannot be expected to contribute to their own financial support, except through trust funds which may be available. Non-status children living with care-givers on a reserve should be eligible for assistance by the province. Status children off-reserve should be treated in a manner similar to status adults and receive assistance from the province on a bill-back system.

4. Equity

That those in like circumstances should be treated in a like manner is self-evident. Computerization and a single tier system would take care of the equity situations for recipients. If, however, the requirement that recipients seek and accept employment is lifted, an inequity between recipients and the rest of society occurs. Those not in receipt of social assistance are required to seek employment and support themselves if possible; recipients would not be. Equity implies fairness to all concerned and requires equal responsibility. Is it equitable that the rules governing the majority of society be lifted for those on social assistance?

Equity implies that all members of our society have equal value and equal responsibility to contribute to the betterment of that society. Those with physical or mental handicaps have different but equal contributions to make. If all recipients are equally considered "employable", albeit to varying degrees, this would, for me, be an equitable way of reconciling the rules applicable to the general rule with the rules for recipients.

"Employable" need not mean capable of gainful employment but, as the main Report suggests, may constitute a full range of options having positive social value. Recipients should be required to take part in positive social action, including employment if possible.

If the social allowance system requires that recipients strive for self-sufficiency, the onus is once again on the government to ensure that the linkages to programs and services are put into place. The development of economic and educational infrastructures becomes mandatory. The demand that recipients look for work makes an equal demand on society that the opportunities for work be available. Without these opportunities, social assistance reforms are merely band-aids and do nothing except to perpetuate learned dependency and lost human resources. The barriers to self-sufficiency would still be in place, as is clearly shown in the main Report. I strongly support the main Report's recommendation that support systems be developed in conjunction with social assistance reform.

5. Program Linkage

I agree with the majority recommendation that the impediments now present in the system must be removed in order to make self-sufficiency a real possibility. By requiring recipients to make efforts at self-sufficiency (efforts which may entail employment, education, volunteer social activities and the like), the system would, in equity, be required to construct the means by which self-sufficiency may be attained. This would allow for a system structure that would not only remove impediments, but would in fact become the vehicle by which independence can be attained. The selection of a particular course of action can be left to the individual, according to interest and ability. The separation of services would first provide access to financial assistance, then referral to the appropriate agency best suited to assist the individual. That agency would in turn assist in the selection of the appropriate course of action best suited to the individual. Just as for the general population, options would be geared to personal needs and abilities.

The course of action taken by an individual should be optional; that action must be taken must be mandatory. In this I differ from the majority of the Task Force. They view the presence of options as sufficient incentive. I do not. The onus must be on the individual to make use of the vehicle or to suffer the consequences. Independent people must make choices and bear the results.

6. Comprehensiveness and Program Linkage

In the main body of the Report, comprehensiveness refers only to financial services. While the main function of social assistance is to ensure adequate financial resources, it does less than its job if it does not consider the whole person who is the recipient. Once eligibility is established for financial assistance, other agencies may take over the functions necessary for the development of the recipient's abilities to be self-supporting.

The function of the social assistance system should be to provide access to a comprehensive package of options from which the recipient must select. In many cases in the system now, referrals are made only on request; frequently requests are discouraged due to limited resources in work incentive, educational or vocational programs. Volunteering or social skills upgrading are seldom even considered. As discussed in the main Report, penalties for initiative are frequently imposed. With mandatory selection of a course of positive social development, the linkages must be developed, both for social assistance recipients and the public at large

CONCLUSION

Although I am unable to endorse the Report as a whole, I am in strong agreement with many of the recommendations and feel that that agreement must be clearly stated:

1. The onus for the provision of support systems to ensure the individual's ability to be self-supporting lies with the government through the development of long range economic and educational programs. Without these, any change in the social allowance system is, in the long run, wasted.

2. I am in complete agreement with the majority of the Task Force on the questions of the automation and the establishment of a single tier system. Both recommendations should be implemented as soon as possible.

3. Payment of benefits should be by cheque unless there is proven reason not to do so. The budget should be undifferentiated as to expenditure, leaving the recipient to allocate his income as he sees to be most beneficial to his circumstance.

The prime difference between the stance taken in the majority Report and the views I have expressed is the fundamental philosophical position that, after the determination that need exists, the receipt of social assistance is an unconditional right. As with areas of agreement, areas of disagreement shall be clearly stated:

1. After need is established, the receipt of assistance is a right only when conditioned by the requirement that the recipient strive to be as self-supporting as possible. Continuing eligibility must be conditional upon active involvement in efforts and programs geared to assist the individual to self-sufficiency. The voluntary aspect of self-sufficiency efforts should be in the selection of options suited to the individual, not in whether or not to select at all.

2. Eligibility under a single tier system would be largely non-categorical, except for 5(1)(f), parent's allowance and off-reserve status Indians as discussed. The current designation of recipients as "employable" or

"unemployable" would cease except in the sense that all recipients should be considered "employable", i.e. capable of productive activity which may include gainful employment, to the limits of individual ability. A variety of efforts which could lead to self-support would be recognized and valued.

3. Some elements of discretion must be retained, such as "special needs".

RESPONSE TO MINORITY STATEMENT

The Task Force is pleased that notwithstanding the need of one of its members to file a Minority Statement, that Statement contains major areas of agreement as well as disagreement with the main body of the Report. Except in one instance, to be noted below, the Minority Statement is a reaction to a fair reflection of Task Force thinking. The members of the Task Force are appreciative of the contribution made by Dorine Thomas to the review process and to preparing the final Report. We also appreciate that Ms. Thomas has agreed to have her Statement included as an integral part of the total Report.

Dorine Thomas partially misrepresents the intention of the Task Force when she states that the Report advocates assistance as an unconditional right once eligibility has been established. It is certainly not the Task Force view of the Report. The major difference between Dorine Thomas and the other members is whether or not expectations rather than requirements constitute true conditions. The majority of members believe they do; Dorine Thomas believes that only requirements constitute valid conditions. The appraisal of Task Force intention is correct only to the extent that the Majority cannot see how someone who refuses to meet requirements can be denied assistance from any source. Indeed, society picks up these costs even now.

A succinct summary of our view is that all rights are matched by attendant and appropriate responsibilities. We have noted the ineffectiveness of coercively enforced requirements. We have noted the well documented finding that positive action is most likely to occur when self-motivated. We have noted that incentives and opportunities work effectively and need to be provided. In view of the these major themes of the Report, a more accurate representation of the Task Force opinion is to see social assistance as a conditional benefit, dependent upon incentives and opportunities and not coercion. No matter what, a system of last resort requires a person to be poor, with an income level such that few people in our society would be content to live on it voluntarily for any extended period of time.

Most of the substantive differences between the majority Report and the Minority Statement appear to derive from this difference in belief. The members have agreed to divide on this basic point but have felt that both views should be put forward at the same time.

APPENDICES

APPENDIX A

LIST OF INDIVIDUALS, ORGANIZATIONS AND MUNICIPALITIES MAKING SUBMISSIONS TO THE TASK FORCE[1]

Alcock, Mr. Reg
Alcoholism Foundation of Manitoba, Provincial Treatment Program
Argyle Alternative High School, Student Council
Asham, Mr. Wayne
Associated Marriage and Family Therapists

Bown, Mr. and Mrs. Stan
Bracken, Professor Denis, School of Social Work, University of Manitoba
Brandon, City of
Brandon Friendship Centre
Brandon University, Mature Student Centre
Browning, Mr. Scott

Canadian Association for the Mentally Retarded - Manitoba Division
Canadian Association for the Mentally Retarded - Winnipeg Branch
Canadian Mental Health Association - Manitoba Division
Canadian Mental Health Association - Westman Division
Canadian National Institute for the Blind
Canadian Paraplegic Association - Manitoba Division
Canadian Paraplegic Association - Manitoba Division, Social Work Students
Canadian Red Cross Society - Manitoba Division
Career Opportunities in Preparation for Employment (C.O.P.E.), Brandon Participants
Caulfield, Mr. Joe
Cerebral Palsy Association of Manitoba Incorporated
Children's Aid Society of Eastern Manitoba, St. Boniface-Norwood and Windsor Park Child and Family Resource Centres
Children's Home of Winnipeg
Churchill Children's Centre
Churchill Health Centre
Church in Society Committee, Winnipeg Presbytery, The United Church of Canada
Civil Income Union Incorporated
Clare, Ms. Kim, School of Social Work, University of Manitoba
Clarke, Reverend Ralph
Community Agencies Council of Portage la Prairie
Community Education and Development Association of Winnipeg
Contact Community Information Services
Crossroads Family Centre

Dakota Ojibway Child and Family Services
Daly, Rural Municipality of
Daniels, Ms. Rose
Dauphin Friendship Centre
Dauphin, Rural Municipality of
Dauphin, Town of
Day Nursery Centre
Deloraine, Town of
Direct Action in Support of Community Homes (D.A.S.C.H.). Incorporated

Earl Grey Children's Centre
Engle, Mr. Fred
Enns, Mr. George
Exner, Most Reverend Adam, O.M.I., Archbishop of Winnipeg

Family Services of Winnipeg Incorporated
Flin Flon, City of
Fontaine, Mr. Gerard
Funeral Planning and Memorial Society of Manitoba

Gillam Community Centre
God's Lake Band
Golden Links Lodge
Gray, Ms. Patricia

Hamiota, Village of
Harris, Mr. Daryl
Heeney, Mr. Dennis
Hutchinson, Ms. Diane

Indian and Metis Friendship Centre (Winnipeg) Incorporated

Jewish Child and Family Services
John Howard and Elizabeth Fry Society
Juniper Preschool Incorporated

Kuzyk, Ms. Susan

Lac du Bonnet, Rural Municipality of
Lakeview, Rural Municipality of
Last Boost Club
Lavallee, Mr. G.
Legal Aid Manitoba

Manitoba Anti-Poverty Organization
Manitoba Association of Rights and Liberties
Manitoba Association of Social Workers
Manitoba Association of Urban Municipalities
Manitoba Bar Association, Immigration Law Subsection
Manitoba Committee on Wife Abuse
Manitoba Friends of Schizophrenics
Manitoba Health Services Commission - Personal Care Home Division
Manitoba Human Rights Commission
Manitoba Institute of Registered Social Workers
Manitoba Law Reform Commission
Manitoba League of the Physically Handicapped Incorporated
Manitoba League of the Physically Handicapped Incorporated - Beautiful Plains
Branch

APPENDIX A

Manitoba Metis Federation Incorporated - Waterhen
Manitoba Municipal Secretary-Treasurers' Association
Manitoba Society for Autistic Children
Manitoba Women's Institute
Maples Personal Care Home
Minitonas, Rural Municipality of
Minitonas, Village of
Minnedosa, Town of
Misericordia General Hospital - Social Work Department
Moraes, Dr. F.X. - Flin Flon Medical Centre
Morden, Town of
Mountview Home
Multiple Sclerosis Society of Canada, Manitoba Division
Multiple Sclerosis Society of Canada, Brandon & District Chapter

Native Alcohol and Drug Abuse Program, Portage la Prairie
Neepawa, Town of
Niverville, Village of
Norman Regional Development Corporation
North End Community Ministry
Northern Association of Community Councils
Norway House Band
Norwest Co-op Health and Social Service Centre Incorporated

Orlikow, Mr. David, M.P. Winnipeg North
Oxford House Band Council

Parents of Twins and Triplets
Parklands Community Legal Services
Peguis Indian Band
Petrin, Mr. Noel
Pheasey, Ms. Helen
Portage la Prairie Friendship Centre
Prince Charles School
Public Trustee of Manitoba

Red River Community College, Student Services
Refugee Mental Health Planning Committee
Rehabilitation Centre for Children
Riley, Mr. Patrick
Rivers, Town of
Robidoux, Omer A., O.M.I., Bishop, Diocese of Churchill-Hudson Bay
Roblin, Town of
Rossbrook House Incorporated
Rossburn District Health Centre
Rossburn, Rural Municipality of
Routhier, Mr. Hector
Russell, Rural Municipality of
Russell, Town of

Sagkeeng Child and Family Services
Saint Boniface Diocesan Pastoral Council, Archdiocese of Saint Boniface
Salvation Army, Manitoba and North West Ontario Division
Schizophrenia Treatment and Research Foundation
Selkirk, Town of
Siglunds, Rural Municipality of
Sisters of Sion
Snow Lake, Town of
Social Planning Council of Winnipeg
Society for Crippled Children and Adults
St. Boniface School Division
St. Matthews-Maryland Community Ministry
St. Vital School Division
Ste. Anne, Rural Municipality of
Ste. Anne, Village of
Ste. Rose, Rural Municipality of
Steinbach, Town of
Stonewall, Town of
Swan River, Rural Municipality of
Swan River, Town of
Swan River Valley Hospital

T-2 Thompson Toddler's Day Care
Tache, Rural Municipality of
Talbot, Ms. T.
The Pas Band
The Pas District Health Centre/Rosaire House
The Pas Friendship Centre
The Pas, Town of
Thompson, City of
Thompson Crisis Centre
Thompson, Rural Municipality of
Trute, Dr. Barry, School of Social Work, University of Manitoba
Tudor House Limited

University of Winnipeg, Institute of Urban Studies

Villa Youville
Voss, Mr. Richard

Wensel, Ms. Ruth
Winkler, Town of
Winnipeg Adult Education Centre
Winnipeg Beach, Town of
Winnipeg Boys and Girls Clubs Incorporated
Winnipeg Education Centre, First Year Social Work Students
Winnipeg Housing Authority
Winnipeg School Division #1
Winnipegosis, Village of

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1. This list includes all organizations, municipalities and individuals who have communicated with the Task Force in their official capacity. Beyond this, members of the general public and provincial civil servants are listed only if they appeared at public hearings.

APPENDIX B

PUBLIC HEARINGS AND COMMUNITY MEETINGS[1]

PUBLIC HEARINGS

DATE	PLACE
1982	
September 30	Winnipeg
October 1	Winnipeg
October 7	Portage la Prairie
October 14	Brandon
October 15	Ashern
October 19	Selkirk
October 21	Winkler
October 21	Morden
October 22	Boissevain
October 26	Steinbach
November 2	Russell
November 3	Russell
November 4	Roblin
November 5	Swan River
November 8	Dauphin
November 9	Ste. Rose du Lac
November 16	Vita
November 18	Winnipeg
November 19	Winnipeg
November 23	Powerview
November 25	Winnipeg
November 26	Winnipeg
1983	
January 19	Thompson
January 20	Flin Flon
January 21	The Pas

COMMUNITY MEETINGS

1982	
December 6	Thicket Portage
December 6	Norway House
December 6	God's Lake Narrows
December 8	South Indian Lake
December 8	Churchill
December 9	Gillam
December 13	Cold Lake
December 13	Moose Lake
December 15	Wabowden

APPENDIX B

COMMUNITY MEETINGS

1983

January 12	Bloodvein
January 13	Berens River
January 20	Flin Flon
January 21	The Pas
April 14	Duck Bay

1. Private hearings were held before and after public hearings throughout the province, as well as on November 30, 1982, in Winnipeg.

APPENDIX C

COMPARISON OF MUNICIPAL ASSISTANCE WITH PROVINCIAL SOCIAL ASSISTANCE BENEFITS[1]

MUNICIPAL BENEFIT[2] LEVELS	MUNICIPAL BENEFITS AS A PERCENTAGE OF PROVINCIAL SOCIAL ALLOWANCE BENEFITS	NUMBER OF MUNICIPALITIES [3] PROVIDING BENEFITS AT VARIOUS LEVELS	PERCENTAGE OF SAMPLE OF MUNICIPALITIES PROVIDING BENEFITS AT VARIOUS LEVELS	CUMULATIVE PERCENTAGE OF SAMPLE PROVIDING BENEFITS AT VARIOUS LEVELS
up to $96.04	up to 20	5	2.86	2.86
$96.04 to $192.07	20 to 39	73	41.71	44.57
$192.08 to $288.11	40 to 59	7	4.00	48.57
$288.12 to $384.15	60 to 79	15	8.57	57.14
$384.16 to $480.19	80 to 99	1	.57	57.71
$480.20	100	74	42.29	100.00

1. Includes only maximum rates specified in legislation in effect on January 1, 1982. No attempt was made to determine the level of benefits actually provided.

2. Only food, clothing, household and personal allowances for a family composed of two adults and two children (ages 11 and 15) were considered.

3. The sample contains 175 municipalities. Those without social assistance by-laws or with by-laws which do not contain schedules for any of food, clothing, household or personal allowances were necessarily excluded from selection.

APPENDIX D

DEFINITION OF STATISTICS CANADA'S LOW INCOME CUT-OFFS

- Originally derived from examination of 1959 national family expenditure data.

- Based on EMPIRICAL OBSERVATION and VALUE JUDGEMENT

EMPIRICAL OBSERVATION
On average, families spent about 50% of their income on food, shelter and clothing (basic necessities) in 1959.

VALUE JUDGEMENT
Families, on average, at income levels that spent at least 20% more than the average spent by all families are in "straitened circumstances".

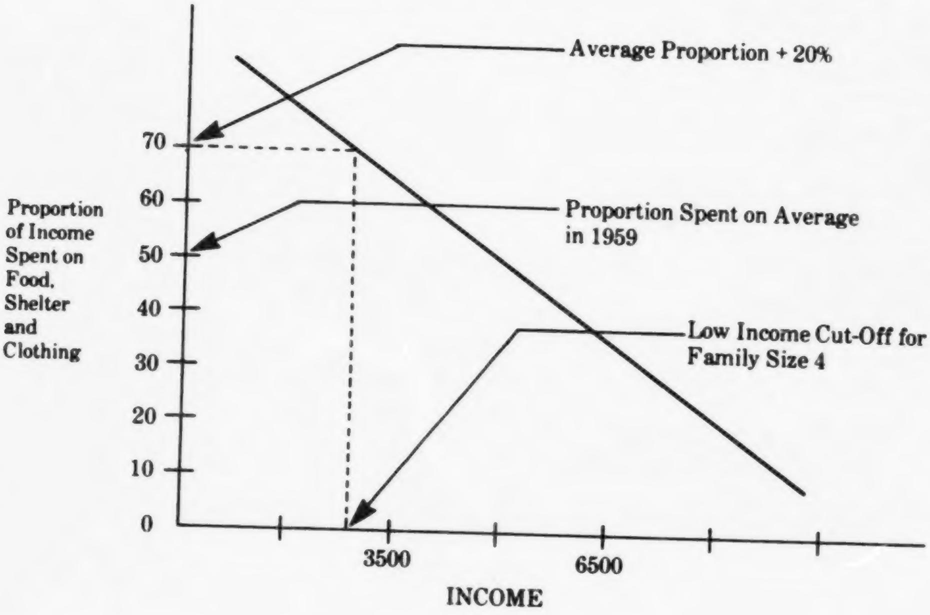
NOTES ABOUT CONCEPT

- Not a need-related approach

- It is a relative concept

- The low income cut-offs are derived from average relationships indicated by the family expenditure data but expressed in terms of income and applied to annual income data.

A Simple Graphic Explanation for Family Size 4
— Proportion of Income Spent on Basic Necessities Declines as Income Increases



APPENDIX D

LOW INCOME CUT-OFFS FOR 1961

FAMILY SIZE	LOW INCOME CUT-OFFS
1	1500
2	2500
3	3000
4	3500
5+	4000

AN IMPORTANT DISTINCTION

TWO PROCESSES

(1) Updating of low-income cut-offs.
(2) Revision of low-income cut-offs.

ANNUAL UPDATING OF LOW-INCOME CUT-OFFS

- National Famex available only infrequently (1959, 1969, 1978)
- In the interim years the dollar values of the cut-offs have been updated by the Consumer Price index.
- This procedure allows low-income families to purchase the same basket of goods every year.

REVISION OF LOW-INCOME CUT-OFFS

- A Revision occurs whenever new national family expenditure data becomes available
  - First revision occurred based on 1969 family expenditure data
  - Second revision is now completed based on 1978 FAMEX.

WHAT HAPPENS IN THE REVISION

(I) EMPIRICAL OBSERVATION
The expenditure on food, shelter and clothing as a proportion of income is determined from the new data.

(II) VALUE JUDGEMENT
20% is added to this ratio.

(III) Determine cut-offs from new FAMEX data.

BASIS FOR CURRENT REVISION

FROM NATIONAL DATA:	1978 REVISION	1969 REVISION
Proportion of income spent on food, shelter, clothing, (FAMEX)	38.5%	42%
Plus 20% (value judgement)	+20%	+20%
= Ratio to determine low income cut-off	=58.5%	=62%

CANADA AVERAGE LOW INCOME CUT-OFFS FROM REVISIONS

	1978 REVISION	1969 REVISION	
FAMILY SIZE	1978 ($)	1969 ($)	Updated to 1978 ($)
1	5374	2363	4403
2	7075	3426	6384
3	9438	4372	8142
4	10911	5199	9684
5	12677	5812	10826
6	13845	6380	11886
7+	14910	6995	13031

EXPLANATION OF INCREASE IN CUT-OFFS

- CPI updating only accounts for rising prices
- CPI updating does not adjust for the rising levels of living in the country
- As levels of living rise the proportion of income spent on food, shelter, clothing declines
- As the low income concept is relative the revision makes this adjustment.

- Distributed by Statistics Canada as orientation material.

APPENDIX E

DETAILED EXPLANATION OF TABLE I

Family Composition	Shelter and Utility Costs	Breakdown of Monthly Benefits By Expenditure Category			Calculation of Minimum Wage 8 hours/day x 21 days per month = 168 hours $672.00 per month	
			Provincial Social Allowance	City of Winnipeg		
Single Person	living in rental accommodation with no additional utility costs	Food	$ 99.70	$ 109.00	Deductions	
		Clothing	21.85	18.00[1]	U.I.C.	$ 15.46
		Household	7.25	13.00	C.P.P.	9.40
		Personal	35.00	14.00	Income Tax	50.40
		Rent[2]	71.00	145.00	Net	596.74
		Total	$ 234.80	$ 299.00		
Two Person Family - 2 adults	living in rental accommodation with additional hydro (electricity) charges	Food	$ 184.20	$ 192.00	Deductions	
		Clothing	43.70	36.00[1]	U.I.C.	$ 15.46
		Household	9.65	16.00	C.P.P.	9.40
		Personal	51.80	28.00	Net	647.14
		Rent[2]	102.00	244.00		
		Hydro[3]	14.00	14.00		
		Total	$ 405.35	$ 530.00		
Two Person Family - 1 adult - 1 child, age 2	living in rental accommodation with additional hydro (electricity) charges	Food	$ 169.20	$ 163.00	Deductions	
		Clothing	37.35	31.00[1]	U.I.C.	$ 15.46
		Household	9.65	16.00	C.P.P.	9.40
		Personal	25.90	14.00	Net	647.14
		Rent[2]	117.00	244.00		
		Hydro[3]	14.00	14.00		
		Total	$ 373.10	$ 482.00		
Three Person Family - 2 adults - 1 child, age 2	living in rental accommodation with additional hydro (electricity) charges	Food	$ 243.00	$ 244.00	Deductions	
		Clothing	59.20	49.00[1]	U.I.C.	$ 15.46
		Household	12.05	18.00	C.P.P.	9.40
		Personal	51.80	28.00	Net	647.14
		Rent[2]	123.00	268.00		
		Hydro[3]	23.00	23.00		
		Total	$ 512.05	$ 630.00		

contd.

APPENDIX E

Family Composition	Shelter and Utility Costs	Breakdown of Monthly Benefits By Expenditure Category			Calculation of Minimum Wage 8 hours/day x 21 days per month = 168 hours $672.00 per month	
			Provincial Social Allowance	City of Winnipeg		
Four Person Family - 2 adults - 2 children ages 2, 4	living in rental accommodation with additional hydro (electricity) charges	Food	$ 302.00	$ 290.00	Deductions	
		Clothing	74.70	62.00[1]	U.I.C.	$ 15.46
		Household	14.45	20.00	C.P.P.	9.40
		Personal	51.80	28.00	Net	647.14
		Rent[2]	129.00	287.00		
		Hydro[3]	24.00	24.00		
		Total	$ 595.95	$ 711.00		
Five Person Family - 2 adults - 3 children, ages 1, 3, 5	living in rental accommodation with additional charges for hydro (electricity), heating, fuel and water	Food	$ 370.00	$ 358.00	Deductions	
		Clothing	90.20	79.00[1]	U.I.C.	$ 15.45
		Household	16.85	21.00	C.P.P.	9.40
		Personal	51.80	28.00	Net	647.14
		Rent	75.00	263.00[4]		
		Hydro[3]	27.00	27.00		
		Fuel[5]	94.00	94.00		
		Water[3]	12.00	12.00		
		Total	$ 736.85	$882.00		

1. In the City of Winnipeg's program, entitlement for clothing allowance commences in the fifth week in which assistance is given.

2. The regulation governing the provincial social allowance program specifies the following with regard to fuel and utilities: "For each household unit where these items are not included in the rent, the estimated monthly cost based on actual expenditures for the last previous twelve months; but where circumstances have changed so that this estimate is not valid, the estimated actual cost for the next twelve months may be used" (Manitoba Regulation 202/79 (2f) being a regulation under The Social Allowances Act).

   The relevant City of Winnipeg by-law provides separate schedules for basic rental allowance and additional rental allowance if the premises are heated or furnished.

   In this case the City of Winnipeg rental benefits were calculated by adding the basic rental allowance and the additional rental allowance specified in their by-law.

   The provincial social allowance program rental benefits were calculated by adding the basic rental allowance specified in the provincial regulation with the additional rental allowance for heated accommodation specified in the City's by-law.

   In both cases maximum benefits for the particular family composition were utilized.

3. The relevant City of Winnipeg by-law includes schedules for hydro and water. See footnote 2 above for an explanation of the provincial social allowance program's benefits for utilities. The City's scheduled amounts were utilized in calculating both programs' benefits for hydro and water.

4. The City's schedule for basic (unheated and unfurnished) rental allowance was utilized in this case.

5. The relevant City of Winnipeg by-law includes separate schedules for electric, gas, and oil heating fuel for spring-fall (September, October, April, May) and winter (November, December, January, February, March). See footnote 2 above for an explanation of the provincial social allowance program's benefits for heating fuel. The City's scheduled amounts for gas for winter were utilized in calculating both programs' benefits for heating fuel.

APPENDIX F

ESTIMATED INCREMENTAL COST OF A ONE TIER SYSTEM

I. ACTUAL COST OF THE TWO TIER SYSTEM IN 1981-82 FISCAL YEAR

	BENEFITS $	ADMINISTRATIVE EXPENDITURES $	TOTAL EXPENDITURES $
Provincial Program	74,392,200	5,035,500	79,427,700
Municipal Program	10,083,300	3,198,600	13,281,900
Total Program	84,475,500	8,234,100	92,709,600

II. PROJECTED[1] COST OF THE TWO TIER SYSTEM IN 1982-83 FISCAL YEAR

	BENEFITS $	ADMINISTRATIVE EXPENDITURES $	TOTAL EXPENDITURES $
Provincial Program	74,392,200	5,035,500	79,427,700
Municipal Program	13,108,290	3,518,460	16,626,750
Total Program	87,500,490	8,553,960	96,054,450

III. ESTIMATED COST OF ASSISTING THE MUNICIPAL COMPONENT OF THE CASELOAD IN A ONE TIER SYSTEM IN 1982-83 FISCAL YEAR

% INCREASE[2] IN TAKE-UP	MONTHS OF[3] ASSISTANCE	BENEFITS[4] $	ADMINISTRATIVE[5] EXPENDITURES $	TOTAL EXPEND-ITURES	DIFFERENCE IN TOTAL EXPENDITURES ATTRIBUTABLE TO SINGLE TIER SYSTEM AND INCREASE IN TAKE-UP $	DIFFERENCE IN TOTAL EXPENDITURES ATTRIBUTABLE TO SINGLE TIER SYSTEM AND INCREASE IN TAKE-UP AS A % OF TOTAL EXPENDITURES	DIFFERENCE IN TOTAL EXPENDITURES ATTRIBUTABLE TO INCREASE IN TAKE-UP ONLY $	DIFFERENCE IN TOTAL EXPENDITURES ATTRIBUTABLE TO INCREASE IN TAKE-UP ONLY AS A % OF TOTAL EXPENDITURES
0	61,434	30,700,855	1,336,190	32,037,045	15,410,295	16.04	0	0
5	64,506	32,236,048	1,403,006	33,639,054	17,012,304	17.71	1,602,009	1.67
10	67,577	33,770,741	1,469,800	35,240,541	18,613,791	19.38	3,203,496	3.34
12 1/2	69,113	34,538,337	1,503,208	36,041,545	19,414,795	20.21	4,004,500	4.17

1. The number of months of municipal assistance granted in the 1982-83 fiscal year increased by an approximate maximum of thirty percent (30%). In the absence of data related to actual costs in 1982-83 this projection was based upon an estimated thirty percent (30%) increase in benefits and a ten percent (10%) increase in administrative expenditures. Thus, the highest probable increase in expenditures has been utilized in this estimation.

2. Some increase in take-up would likely occur if a one tier system were implemented. This would result from a combination of factors including less stringent needs testing, more generous standardized benefits, and the minimization of barriers in the eligibility process in many areas.

3. It has been assumed that every open case in a given month received assistance for the entire month. This assumption has the effect of inflating the estimation of cost.

4. The estimation of benefits in a one tier system was based upon a recalculation of the benefits which would have been provided to municipal assistance recipients had provincial rates been in effect.

   Precise data regarding the family composition of the municipal caseload is not available. The only distinction made is between single recipients and family units. Therefore, family composition characteristics were estimated on the basis of the municipal caseload stock in March, 1982. Average family size was calculated by dividing the number of recipients from family units by the number of family units. It was assumed that only family units for which "absence of spouse" was reported as the major reason for assistance were of single parent composition. This probably represents an under-estimate of single parent families. It was also assumed that in all cases children were in the oldest age category receiving the largest benefits. Both of these assumptions likely inflate the cost estimate.

   Only rent, food, clothing, personal and household allowances were utilized in calculating benefits. Utilities, special needs, other discretionary benefits and health benefits were not included. These exclusions deflate the cost estimate.

5. The estimation of administrative expenditures in a one tier system was based upon the average monthly administrative cost per case in the provincial social allowance program. This was obtained by dividing the average monthly administrative expenditure for the 1982-83 fiscal year by the December, 1982 caseload stock in each region. The mean of the resulting regional administrative costs per case, as weighted according to the distribution of the December, 1982 caseload stock, was then calculated to yield the province-wide average monthly administrative cost per case.

   Administrative expenditures of the social allowance program central office and expenditures covered under other branches or departments (eg. office rental, utility costs, printing of cheques, audits) were not considered. This exclusion deflates the estimate.

This estimation process took no account of expectably higher administrative costs for "municipal" cases related to more frequent turnover, more complex patterns of resources and more changes in residence and family composition. This probably deflates the estimate.

Finally, no economies or diseconomies based on scale in administration were considered.

APPENDIX G

SIMULATION OF EFFECTS OF LOWERING THE MARGINAL BENEFIT REDUCTION RATE IN THE PROVINCIAL SOCIAL ALLOWANCE WORK INCENTIVE PROGRAM

I Sample

The simulation was performed upon a one-in-three sample of files of Work Incentive Program participants drawn from three Winnipeg district Income Security offices during April, 1983. Those attending special skill training programs outside of the regular work force were excluded from selection. In all, two hundred and six (206) cases were included in the simulation.

Table II provides a description of the sample.

TABLE II

PROFILE OF THE SAMPLE SURVEY OF WORK INCENTIVE PLAN PARTICIPANTS (MEAN VALUES)

Characteristic	Total Sample	Below $50	$51-167	$168-667	$668 & over
Family Size	2.84	2.59	2.73	2.75	3.51
Respondent's Age	35.6	34.1	35.8	35.8	36.7
Sex (Female)	91.8%	-	-	-	-
Years in Canada	33.5	32.7	35.3	33.8	32.4
Years in Manitoba	29.1	27.5	34.1	28.8	28.9
Years in Winnipeg	23.5	20.5	30.7	22.8	24.7
Grades Completed	10.2	10.4	10.1	10.2	10.0
Average Hourly Earnings	$5.20	$4.00	$4.52	$5.13	$5.97
Hours Worked	90.24	10.38	32.57	85.67	154.95
Gross Earnings	$416.70	$41.50	$121.17	$415.84	$914.71
Unearned Income	$44.88	0	$42.32	$46.61	$62.57
Total Income	$461.58	$41.50	$163.79	$462.45	$977.28
Work Expenses	$51.75	$9.18	$19.60	$67.98	$89.61
Incentive Payment[1]	$145.36	$162.33	$105.08[3]	$144.85	$258.71
Basic Social Allowance	$611.34[2]	$534.62	$545.25	$608.55	$680.80
Sample Size	206	27	37	96	46
- of which reporting hours and earnings	160	2	33	86	39
- of which reporting Social Allowance payments	183	4	37	96	46

1. Actual incentive payment plus direct payments plus overpayments.
2. n = 184
3. In some cases deductions were substantially in excess of earnings for March, 1983.

It consisted primarily of female family heads with a mean age of thirty-five (35). The average family unit contained just under two children, and the mean level of grade completion for participants was ten (10). On average, the latter have lived most of their lives in Winnipeg, and earned a mean of four hundred and sixteen dollars and seventy cents ($416.70) before taxes in March of 1983 through working an average of ninety (90) hours. Their mean hourly earnings were five dollars and twenty cents ($5.20). Their average basic social allowance benefits of six hundred and eleven dollars and thirty-four cents ($611.34) were augmented by a mean work incentive payment of one hundred and forty-five dollars and twenty-six cents ($145.26). The latter constituted an average of thirty five percent (35%) of their gross earned income. Participants also received a mean level of forty-four dollars and eighty-eight cents ($44.88) of unearned income in March of 1983. Finally, it is clear that working more hours is a much more important factor than increased rates of pay in accounting for higher earnings.

II. Methodology

The simulation assessed the effects of the following variations in the benefit reduction rate:

Plan A - Flat tax rate of 70% on all earnings;

Plan B - flat tax rate of 50% on all earnings.

Both of the above lower the marginal benefit reduction rates paid by some participants. They thus have the conflicting effects of increasing the attractiveness of working and raising the disposable income available to consume leisure (and not work). Therefore, the net result of these two competing effects can only be predicted through empirical means. The gross wage elasticity is such an empirically derived measure which is useful in determining the percentage of change in hours worked from a one per cent (1%) increase in the after-tax wage rate. Table III presents representative values of this measure from a variety of studies. Unfortunately, no comparable Canadian data is available.

TABLE III

GROSS WAGE ELASTICITY MEASURES - U.S. DATA 1970-79

I. Hours

	Median	Low[1]	High[2]
Adult Females (Keeley, 1981, p. 103) Gross Wage Elasticity	0.87	0.22	2.45
Adult Males (Keeley, 1981, p. 103) Gross Wage Elasticity	-0.15	-0.20	0.02

II. Employment

	Median	Low[1]	High[2]
Female Family Heads (Masters and Garfinkel, 1977, p. 158, 160			
Gross Wage Elasticity, All Wages	0.28	0.16	0.39
Gross Wage Elasticity, Low Wages	0.28	0.21	0.34
Adult Males (Masters and Garfinkel, 1977, p. 158, 160			
Gross Wage Elasticity, All Wages	0.01	0.00	0.01
Gross Wage Elasticity, Low Wages	0.01	0.00	0.01

1. Low estimates represent the first quartile of estimate hours and the lower estimate for employment from the sources cited.
2. High estimates represent the third quartile of estimates for hours and the higher estimate for employment from the sources cited.

Median, low and high values of these elasticity measures were used to estimate the hours worked by participants as a result of implementation of the variations. Gross earnings were then calculated with the assumption that the wage rate was not altered. Sample participants for whom seventy percent (70%) of earnings less work expenses exceeded the basic social allowance benefits payable to them were assessed as having left the social allowance program and were counted as caseload reduction.

III. Findings

Table IV contains the simulation results for the two variations discussed above and for the current Work Incentive Program.

TABLE IV

SIMULATION RESULTS (AVERAGE PER PARTICIPANT PER MONTH)

MEDIAN ELASTICITY ESTIMATES

	HOURS WORKED	GROSS EARNINGS	INCENTIVE PAYMENTS	CASELOAD REDUCTION
Current Work Incentive Program	90.24	$416.70	$145.26	0
Plan A	100.37	492.88	146.94	1
Plan B	140.80	706.08	293.46	27

LOW ELASTICITY ESTIMATES

	HOURS WORKED	GROSS EARNINGS	INCENTIVE PAYMENTS	CASELOAD REDUCTION
Current Work Incentive Program	90.24	$416.70	$145.26	0
Plan A	92.90	466.61	139.98	0
Plan B	102.17	515.27	243.15	9

HIGH ELASTICITY ESTIMATES

	HOURS WORKED	GROSS EARNINGS	INCENTIVE PAYMENTS	CASELOAD REDUCTION
Current Work Incentive Program	90.24	$416.70	$145.26	0
Plan A	119.00	557.44	156.78	10
Plan B	236.52	1177.99	316.58	74

(n=160)

Both Plan A and Plan B exhibit stronger work incentive effects than the current Program for all elasticity estimates. This translates into higher earnings and some caseload reduction. In some cases this lowers the average incentive payments below those of the current Program. For example, Plan A lowers the marginal benefit reduction rate to seventy percent (70%) from one hundred percent (100%) for those earnings between fifty-one dollars ($51.00) and one hundred and sixty-seven dollars ($167.00). This increases average monthly hours worked by eleven percent (11%) from ninety (90) to one hundred (100), and raises gross earnings by eighteen percent (18%). Higher earnings lead to a caseload reduction of one (1). The average monthly incentive payment rises by only one dollar and sixty-eight cents ($1.68) to one hundred and forty-six dollars and ninety-four cents ($146.94).

The larger marginal benefit reduction rate decrease involved in Plan B results in greater increases in hours worked, more earnings and higher caseload reduction.

Table V indicates the net costs or savings available through implementation of the two variations. These have been extended to all three hundred and forty-seven (347) cases of female single parent Work Incentive Program participants in the three offices from which the sample was drawn.

TABLE V

NET INCENTIVE PAYMENT CHANGES, CASELOAD REDUCTION, SOCIAL ALLOWANCE COST REDUCTIONS AND NET COST OR SAVINGS UNDER THE PLAN VARIATION (BASED ON A TOTAL OF 347 MOTHER'S ALLOWANCE CASES AND SAMPLE RESULTS FROM TABLE IV)

	Incentive Payment Differential Per Month (Relative Current Plan)[1]	Caseload Reduction[2]	Social Allowance Cost Reduction Per Month[3]	Net Cost (+) or Savings (-)[4]
Median Elasticities				
Plan A	$582.96	2	$1,222.68	-$639.72
Plan B	51,425.40	59	36,069.06	+15,356.34
Low Elasticities				
Plan A	-$1,832.16	0	$0	-$1,832.16
Plan B	33,967.93	20	12,226.80	21,741.03
High Elasticities				
Plan A	$3,997.44	22	$13,449.48	-$9,452.04
Plan B	59,448.04	160	97,814.40	-38,366.36

1. (X-$145.26) times 347 where X is the average simulated incentive payment for the plan from Table IV.

2. Y= 347C / 160, where C is the caseload reduction from Table IV, rounded to the nearest integer value.

3. Y times $611.34 from Table II.

4. Column 1 less column 3.

These savings or additional costs result from any change in incentive payments and the number of caseload reductions. For example, utilizing the median elasticity estimates for Plan A incentive payments would increase by five hundred and eighty-two dollars and ninety-six cents ($582.96) above those involved in the current Work Incentive Program. But a caseload reduction of two (2) would generate savings of one thousand two hundred and twenty-two dollars and sixty-eight cents ($1,222.68) resulting in a modest net saving of six hundred and thirty-nine dollars and seventy-two cents ($639.72) from this very modest variation. Plan B implies additional costs for the low and median elasticities and savings only for high elasticity estimates.

For several reasons, Tables IV and V probably represent under-estimates of average hours worked, caseload reductions and savings. They simulate changes in average hours worked. Since individuals are not normally completely free to choose the number of hours they work, the average magnitudes in Tables IV and V will not be distributed uniformly among participants. Rather, they will be concentrated as some individuals work substantially more hours (for example, shifting from part-time to full-time work) while others are not able to increase their work hours at all. The effect would be to increase the number of participants leaving the caseload, particularly for Plan B. For example, if the average increase of fifty (50) hours worked under Plan B were concentrated among half the participants, each of these would increase their average hours worked by one hundred (100). This would place most of them near full-time monthly hours worked - about one hundred and seventy-two (172). Assuming a wage of five dollars and ninety-seven cents ($5.97) for full-time workers (as indicated in the last column of Table II) the gross earnings of these participants would rise to one thousand and twenty-seven dollars ($1,027). This would exceed the exit level of nine-hundred and sixty-three dollars ($693.00) based upon average social allowance benefits of six hundred and eleven dollars and thirty-four cents ($611.34) and work expenses of eighty-nine dollars and sixty-one cents ($89.61) from Table II. Yet, Tables IV and V reflect caseload reductions of only seventeen percent (17%) (27/160 or 59/347) not fifty percent (50%). If caseload reductions from the former were even doubled to thirty-four percent (34%), substantial net savings would be realized for Plan B at median and high elasticity estimates.

If the variations were implemented, part of the increase in hours worked would arise from new participants finding jobs and entering the Work Incentive Program. This is because the decrease in the marginal benefit reduction rate would encourage more people to work and those working to put in more hours. The increase in average hours worked represented in Table IV describes the sum of these effects. Table VI estimates the effects of the two variations in encouraging more recipients to work based upon a gross wage elasticity for employment (Masters and Garfinkel, 1977, p. 158, 160).

APPENDIX G

TABLE VI

ESTIMATED EMPLOYMENT EFFECTS OF PLAN VARIATIONS

	%Increase Employment[1]	Number[2]
Current Work Incentive Program	0	0
Plan A	0	0
Plan B	14	49

1. Percentage change in after tax wage times estimated gross wage employment elasticity of 0.28.

2. Out of 347 female single parent participants in the offices from which the sample is drawn.

According to this estimate forty-nine (49) recipients would enter the Work Incentive Program if Plan B were implemented. If they worked an average of ninety (90) hours per month (what people now in the Program work on average), they would account for four thousand four hundred and ten (4,410) out of a total of forty-eight thousand, five hundred and eighty (48,580) hours (347 cases x 140 hours). The increase in hours worked for those already participating in the Program would thus be only twelve thousand, nine hundred and forty (12,940) (48580 - 4410 [90 x 347]). This would involve thirty-seven (37) rather than fifty (50) hours per participant as described in Table IV. However, if most increases in hours were from part-time to full-time work only about three quarters of the first adjustment for concentration of work hours described above would be appropriate. But this would still suggest caseload reductions of thirty-seven percent (37%) (50% x 37/50) or more than double those stated in Tables IV and V.

Estimated effects on hours worked and employment are long-run in nature and may not be fully realized in the first year in which a variation is implemented.

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POOR

QUALITY

ORIGINAL